

PATENT APPLICATION

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of

Docket No: Q92694

Jeff Jacob BRAUER

Appln. No.: 09/933,957

Group Art Unit: 3622

Confirmation No.: 7951

Examiner: John W. VAN BRAMER

Filed: August 20, 2001

For: METHOD FOR OFFERING REBATES IN REAL ESTATE RENTAL TRANSACTIONS

SECOND DECLARATION UNDER 37 C.F.R. § 1.131

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This is the second declaration filed in the above-identified application. The paragraph numbering in this declaration continues consecutively after the highest numbered paragraph in the first declaration, for the sake of clarity. Likewise, the Evidentiary Exhibit Numbers are numbered consecutively after the highest numbered Evidentiary Exhibit Number submitted with the first declaration. Please consider the material that follows.

I, Jeff Brauer, declare:

164. I am the sole inventor of the above-captioned application.

165. The application is presently rejected under 35 U.S.C. §103 as being obvious over the combined teachings of Forward and Good.

166. The Forward reference relates to real estate sales.

167. The claimed invention is limited to real estate rental transactions.

168. I have attached to this Second Declaration a number of Evidentiary Exhibit Numbers. The Evidentiary Exhibit Numbers demonstrate conclusively that the Forward reference and references like it, which deal with real estate sales, are non-analogous art and would not have been consulted by the artisan of ordinary skill working in an environment relating to real estate rental transactions.

169. I incorporate herein by reference all of the declarations I made in the first Declaration filed in the above-identified application, and invite the Examiner to review in particular the INTRODUCTORY REMARKS in numbered paragraphs 6-12 of the first Declaration prior to considering the information and evidence presented below.

Evidentiary Exhibit Number 51

170. Evidentiary exhibit number 51 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Richmond Times Dispatch (Virginia) and bears a publication date of 8/12/2001. The title of the article is GET HOUSING OVERVIEW ONLINE, THEN START SEARCHING.

171. Evidentiary exhibit number 51 has an important bearing on the claimed subject matter. The article clearly states that, "Perusing the Web sites of groups such as the Richmond Association of Realtors and the Home Builders Association of Richmond shows buyers a good overview of the home market. Many planned communities with new homes for sale have model homes to tour and open house events that give buyers a chance to see home features and neighborhood amenities. Real estate agents also can help guide buyers to homes in their price

ranges and locate communities that match their needs and desires. The Richmond Times-Dispatch's monthly Metro Real Estate section can help, too.” (DISCOVER RICHMOND; Pg. 68) This quote clearly shows that in August 2001 in Richmond, Virginia, the internet was useful for finding real estate for sale. But at that time, an online search for rentals was not recommended or discovered by the article's author. So, the products were different, though there was no discussion of whether rental and sales websites offered the same benefit, or if the customer base is the same.

172. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 52

173. Evidentiary exhibit number 52 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Philadelphia Inquirer and bears a publication date of 8/11/2001. The title of the article is Homestore.com to absorb Iplace.

174. Evidentiary exhibit number 52 has an important bearing on the claimed subject matter. The article clearly states that, “Two Internet companies announced Friday they are teaming up to provide homebuyers with not only the largest number of home-sale listings online, but also a streamlined way to research neighborhood information about crime, schools and quality of life..” (BUSINESS AND FINANCIAL NEWS) This quote clearly shows that products in the real estate sales market are a distinct product, though the article does not discuss whether rental and sales websites offer the same benefit, or if the customer base is the same, since there is only a discussion of sales websites and benefits to real estate buyers of products for sale, not for rent.

175. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 53

176. Evidentiary exhibit number 53 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Newsday (New York) and bears a publication date of 7/13/2001. The title of the article is The State Of Real E-state.

177. Evidentiary exhibit number 53 has an important bearing on the claimed subject matter. The article clearly states that, "Then, last October, Zakem's casual online perusals led him to Corcoran Real Estate's Web site where, in the new development section, he unexpectedly found their new Manhattan residence: a two-bedroom, two-bath, 2,050-square-foot condo in Tribeca, which they bought for about \$1.4 million. Zakem subsequently listed their Upper East Side condo, a two-bedroom, 2 1/2-bath, 1,400-square-foot apartment, with Douglas Elliman Real Estate. The apartment was sold through the Web for \$1.2 million."The Web has been very good to me," Zakem said.The Internet is also helping an increasing number of renters.For instance, computer systems analyst Michael Broggy found his rental apartment via Rent-Direct.com in Febru-ary. The service allows users to see rental listings, including apartment photographs, for free, but they must pay a reg-istration fee of \$169 to access building addresses and landlord phone numbers. Users set up their own appointments and meet with building rental agents on their own.." (REAL ESTATE, Pg. C06) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Different sites are set up to cater to either buyers or renters, separately. Renters and buyers benefit in different ways by using sites that are designed with different functionality, and the customer base is different, as evidenced by the choice of real estate companies to set up either websites focusing on rentals or sales, and the customers pre-selecting whether they are a buyer or a renter.

178. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 54

179. Evidentiary exhibit number 54 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Journal Record (Oklahoma City, OK) and bears a publication date of 4/27/2001. The title of the article is Independent real estate co. in Okla. City joins national firm.

180. Evidentiary exhibit number 54 has an important bearing on the claimed subject matter. The article clearly states that, "After extensive research, Jones discovered that buyers and sellers were increasingly looking for a real estate firm with a good reputation." "I had seen buyers and sellers, customers and clients were going toward a brand recognition," Jones said. "More and more people understood a national brand. We were well known, well respected in Oklahoma and metropolitan Oklahoma City, but outside that we weren't known by people in other areas." The Internet was also an inducement for Jones to affiliate with Coldwell Banker. He said more people search for a home on the Internet and will look for a company they have heard of or had a previous a business relation-ship with.." (NEWS) This quote clearly shows that products in the real estate sales market are sold to distinct customers who do not deal in the rental market. Different sites, as with the sales site in this article that induced Mike Jones to affiliate himself more closely with Coldwell Banker, are set up to cater to either buyers, separately, which as the article notes people use for the purpose of searching for a home to buy, and since this is a major decision they pay particular attention to whether they have previously done business, or have a business relationship with, a company before buying with them. Renters and buyers benefit in different ways by using sites that are designed with different functionality, and the customer base is different, as evidenced by the choice of real estate companies to choose Coldwell Banker because "they are used to doing business with Coldwell Banker," as the CEO Mike Jones explained in this article.

181. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 55

182. Evidentiary exhibit number 55 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the PR Newswire and bears a publication date of 4/25/2001. The title of the article is Homestore.com, Inc. Reports Strong and Steady 1st Quarter Growth; Cash Profitability, Strong Revenue Growth Mark Record Performance.

183. Evidentiary exhibit number 55 has an important bearing on the claimed subject matter. The article clearly states that, "Through its family of Web sites, the company offers consumers Everything Home(TM) and the world's largest online database of homes for sale. The company's category-leading network of Web sites include Realtor.com(R), the official Web site of the National Association of Realtors(R); new homes destination, HomeBuilder.com(TM); Homestore.com(TM) Apartments & Rentals; relocation destination, HomeFair.com(R); and home information resource, Homestore.com(TM)..'" (FINANCIAL NEWS) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Different sites are set up to cater to either buyers or renters, separately, and in this article Homestore lists a family of websites that do business in the real estate market, and all except focus on sales, and the other focuses, separately, on rentals. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

184. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 56

185. Evidentiary exhibit number 56 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the e.Business and bears a publication date of 3/31/2001. The title of the article is e-BUSINESS REPORT - Home pages.; Moving house ranks as one of the most stressful life experiences.

186. Evidentiary exhibit number 56 has an important bearing on the claimed subject matter. The article clearly states that, "But listings are only part of site's offering. According to Shulman the core business will be property and asset management, one of the main reasons why he chose the rental market. Around 50% of lettings are carried out privately and it is in this particular niche that Shulman thinks Spacetorent can make an impression. He says: "Agents are very good at finding tenants, poor at maintaining property and hopeless when the money gets dealt with." A typical London estate agent will charge 10-17% for finding a tenant and managing a property but the service can quite often be unsatisfactory.." (Pg.48) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Different sites, like the one I have quoted here-- Spacetorent-- are set up to cater to either buyers and renters, separately. This article lists many websites that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

187. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 57

188. Evidentiary exhibit number 57 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Business Wire and bears a publication date of February 13, 2001. The title of the article is Florida East Coast Industries' Fourth Quarter and 2000'S Results Highlight Significant Strategic and Financial Accomplishments.

189. Evidentiary exhibit number 57 has an important bearing on the claimed subject matter. The article clearly states that, ""Having been the leader in the multi-housing industry for more than 25 years both in print and now online, we are always looking for ways to help apartment

communities market their properties to prospective renters," said Jamie Gallo, COO of ApartmentGuide.com. "SmashCast is on the cutting edge of rich media and we're excited to tap into their stable of products and extend the service to our advertisers."." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. Different sites, like the one I have quoted here-- ApartmentGuide.com-- are set up to cater to either buyers and renters, separately. This article mentions many websites that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the COO of ApartmentGuide even says that they need to specifically look for ways to target prospective renters in particular, since this group of customers are unique from buyers So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

190. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 58

191. Evidentiary exhibit number 58 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Times and bears a publication date of 1/12/2001. The title of the article is Internet helps buyers in neighborhood search.

192. Evidentiary exhibit number 58 has an important bearing on the claimed subject matter. The article clearly states that, "Especially in today's competitive market, buyers need information on homes for sale, not just neighborhoods. Homes that are on the market sell quickly these days, and the number of properties for sale is very low. Driving around neighborhoods may help you

identify a few areas you would like to live, but how do you know what homes are for sale?.” (PART F; FRIDAY HOME GUIDE; Pg. F1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that a unique problem for sales is that they occur quickly, and the amount of sale product available is low, but this is not necessarily the same as rentals. Different sites, like the one in the article I have quoted here are set up to cater to either buyers and renters, separately. This article mentions many companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that different laws govern realtors for the sale of product, but says nothing about whether the same laws restrict rentals. They discuss how websites can help, but not steer, buyers of real estate in particular, since this group of customers are unique from renters. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

193. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 59

194. Evidentiary exhibit number 59 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Property Management and bears a publication date of 6/23/1905. The title of the article is Market review.

195. Evidentiary exhibit number 59 has an important bearing on the claimed subject matter. The article clearly states that, “Despite a recent increase, unemployment levels remain low as is inflation at 2 per cent or 3 per cent as measured by the retail price index. However, rents in many

markets are growing at more than twice this rate. Angus McIntosh, King Sturge partner and head of research, sees changes in the global economy with the speed of growth of the Internet as having a marked effect in certain areas of property availability and rents. For example, where Internet Service Providers wishing to occupy Telehotel facilities are competing for space with traditional warehouse/industrial occupiers, a limited supply of suitable property is being stretched, forcing up rent levels. In certain areas developers and investors are reluctant to build speculative development. However, in some markets modest levels of new supply are being created. In other areas demand and rental levels have not provided sufficient confidence for new construction.” (Vol. 19, No. 2; Pg. 180-206; ISSN: 02637472) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that a unique characteristic of rentals in the internet economy is that the internet has increased the number of people renting, and reduced availability, and that has increased rental prices. Different sites, like the one in the article I have quoted here are set up to cater to either buyers and renters, separately. This article mentions many companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

196. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 60

197. Evidentiary exhibit number 60 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Regulatory News Service and bears a publication date of 12/21/2000. The title of the article is Delancey Estates PLC - Interim Results.

198. Evidentiary exhibit number 60 has an important bearing on the claimed subject matter. The article clearly states that, "We hold a 47.5% equity stake in spacetorent. This is now establishing itself as the leading national internet prop-erty rental portal, utilising the low costs of the internet for distribution, whilst retaining an underlying 'bricks and mortar' business to provide, primarily in the residential market but also in the commercial, student and holiday sectors. The internet site www.spacetorent.com was established in September and now has some 5,000 properties available for letting which are owned by approximately 2,000 landlords. spacetomanage, a division of spacetorent, is now man-aging over 800 residential properties and we are expecting this to grow substantially.." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that the company acquired a 47.5 percent stake in "the leading national internet property rental portal." Different sites, like the one in the article I have quoted here are set up to cater to either buyers and renters, separately. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that a division of pacetorent, spacetomanage, is even more specialized at managing residential rental properties. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

199. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 61

200. Evidentiary exhibit number 61 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the PR Newswire and bears a publication date of 11/15/2000. The title of the article is Homestore.com, Inc. and The National Association of Realtors(R) Unveil eREALTOR.com(SM) -The Next Phase of The Realtors(R) Electronic Transaction Platform.

201. Evidentiary exhibit number 61 has an important bearing on the claimed subject matter. The article clearly states that, "Homestore.com, Inc. (Nasdaq: HOMS) and the National Association of Realtors(R) (NAR) unveiled eREAL-TOR.com(SM) -- the first phase of the Realtors(R) Electronic Transaction Platform, announced at the NAR Mid-Year Convention in May. eREALTOR.com(SM) -- an innovative online system designed to facilitate and streamline the steps involved in managing the purchase or sale of a home -- is a collaboration among industry leaders which in-clude Homestore.com and its subsidiaries, TOP PRODUCER(R) and WyldFyre(TM); its joint venture REFormsNet, the National Association of Realtors(R); GMAC Real Estate and GMAC Mortgage; Fannie Mae; the California Associa-tion of Realtors(R); and, as recently announced, Cendant Corporation and its CENTURY 21(R), COLDWELL BANKER(R), and ERA(R) real estate brands.." (FINANCIAL NEWS) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that Nasdaq listed company Homestore.com and the National Association of Realtors together produced an online system that si designed to facilitiate and streamline the steps involved in buying or selling a home. Different sites, like the one in the article I have quoted here are set up to cater to either buyers and renters, separately. This article

mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the new online system specifically helps people move through the specific and complicated steps involved in buying and selling property, since these steps are altogether different than the steps involved in renting a property, and the system set up to facilitate these two transactions are entirely different. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

202. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 62

203. Evidentiary exhibit number 62 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the AAP Company News and bears a publication date of 11/1/2000. The title of the article is Commitments Test Entity - First Quarter Report.

204. Evidentiary exhibit number 62 has an important bearing on the claimed subject matter. The article clearly states that, "COMMERCE AUSTRALIA Commerce Australia's suite of portals, including realtyonline.com.au and rentfind.com.au are leveraging off the national expansion of

205. aussie.com.au to create a suite of full service sites to capture the

206. growing online real estate market. Commerce Australia is in discussion with several eastern states

207. software and real estate organisations to leverage sales opportunities in those markets. REALTYONLINE.COM.AU realtyonline.com.au allows real estate agents to upload sales

208. listings and automate administration functions including client contracts, expense management and database. realtyonline.com.au's proprietary software and strategic alliances with banks, mortgage and Insurance originators, creates a strong sales opportunity. Revenue is derived from the provision of the software. RENTFIND.COM.AU rentfind.com.au provides online access to maintenance providers and simple control tools for the financial management of rental

209. properties..” (Part 2 of 3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that this company's real estate websites are divided into two separate divisions: rentals and sales, depending on what products they are selling and what customer base would use them. Different sites, like the one in the article I have quoted here are set up to cater to either buyers and renters, separately. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the website realtyonline, which focuses on sales, allows agents to deal with situations unique to purchases, such as mortgages, while rentfind allows management of rental property transactions. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

210. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 63

211. Evidentiary exhibit number 63 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Sun-Times and bears a publication

date of 9/15/2000. The title of the article is New types of realty agents let home sellers and buyers pick only the services they need.

212. Evidentiary exhibit number 63 has an important bearing on the claimed subject matter. The article clearly states that, "The brave new world of real estate today offers more choices to both seller and buyer, but the basic question re-mains the same as it was a decade ago when the options were to sell it yourself or have an agent do it for you:How much do you know about handling the biggest financial transaction of your life?What's changed today is that sellers now can decide on how much help they need and pay for it accordingly. Deep discount brokers argue they can save sellers thousands of dollars with what essentially is an enhanced FSBO (for sale by owner). Traditional agents argue that nothing can match the personal service, experience and advice they offer. The other major change? The Internet. The National Association of Realtors reports 37 percent of home buy-ers use the Internet as an information source.." (HOMELIFE; Pg. 1; N) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that the internet can particularly useful in helping people make "the biggest financial transaction" of their lives when they buy real estate, and that obviously isnt true of a decision to rent real estate. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the internet offers one stop shopping services, which have emerged as a driving consideration in buying and selling a home," although there is no mention of whether they same is true for rental properties. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

213. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 64

214. Evidentiary exhibit number 64 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Real Estate Finance Today and bears a publication date of 9/4/2000. The title of the article is The Web site combines property information and financing.

215. Evidentiary exhibit number 64 has an important bearing on the claimed subject matter. The article clearly states that, "Greco said that MortgageRamp.com is using information that PropertyFirst.com has gathered from the listing and property leasing function to create the deal information so that MortgageRamp.com can provide quotes and information that PropertyFirst.com needs for completing the transaction. "We're adding new functionality to what they already do," Greco said. "If someone wants a loan at PropertyFirst, they have nowhere to go until we show up." The result could be expedited commercial property sales with more efficient pricing and faster closings, in some cases in as few as 10 days, according to MortgageRamp.com officials.." (Pg. 8 Vol. 17 No. 34 ISSN: 07420021) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that the internet can expedite commercial property sales with by making pricing occur more efficiently. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the internet doesn't allow transactions to occur completely over the internet since parts of the borrowing process require an in-person visit, and that is not necessarily true of the rental process. So, renters and buyers benefit in different

ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

216. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 65

217. Evidentiary exhibit number 65 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Citybusiness and bears a publication date of 9/1/2000. The title of the article is YAPSTONE ASSISTS ONLINE PAYMENT.

218. Evidentiary exhibit number 65 has an important bearing on the claimed subject matter. The article clearly states that, "As the business plan developed, Honour and other officials added the rental industry to the mix because of several key similarities between the markets. "They're both large, pretty infrequent purchases, with a lot of documentation," he said. The documentation is crucial it lets YapStone build credit histories of buyers and sellers and quickly determine if they're good risks." (Vol. 18, No. 14; Pg. 8; ISSN: 08833044) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that the internet can be useful for transaction in the rental industry, but not the real estate sales industry, since there are large, infrequent purchases. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article completely focuses on the rental market since the financial transaction is so distinct from the sales market. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

219. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 66

220. Evidentiary exhibit number 66 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Contra Costa Sun (California) and bears a publication date of 8/16/2000. The title of the article is EBAY AUCTIONS HOMES ONLINE, NEW HOME SALES DIP FOR THIRD MONTH.

221. Evidentiary exhibit number 66 has an important bearing on the claimed subject matter. The article clearly states that, "Internet auction site eBay.com (www.ebay.com) is selling homes on the Internet through a partnership with web realty broker zip Realty.com (www.ziprealty.com). San Jose-based eBay, with about 16 million registered users, is growing at a monthly clip of about 3 million.

222. About 50 residential properties were listed last week." (NEWS; Pg. 14) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that Ebay is only doing business in the sales sector and is partnering with an online site, ziprealty, that only does real estate sales. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the entire real estate category of eBay only includes sales, and no rentals. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

223. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 67

224. Evidentiary exhibit number 67 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Business Wire and bears a publication date of 8/1/2000. The title of the article is Rent Tech Builds Online Renter Support Services With ShopTok Instant Messaging Application; Now Online Renters Receive Live Help Accessing Bay Area Rental Information with TokSupport.

225. Evidentiary exhibit number 67 has an important bearing on the claimed subject matter. The article clearly states that, "Rent Tech is the largest retail rental and rooming service in San Francisco, providing support for as many as 3,000 customers and landlords each month. Founded in 1995, Rent Tech was the first prepaid rental listing service to utilize the Internet and other technologies as a means of distributing apartment vacancy and roommate information to its customers. Rent Tech lists vacancies for landlords and roommates at no charge, deriving its revenue from fees paid by individuals looking for listings of vacant rental units and/or rooms. Rent Tech's proprietary software distributes these listings hourly via the Internet, fax or alphanumeric pager. In addition, the company provides its rental customers with maps and photos, making it easy for customers to preview and locate the vacancies. Other optional services include credit and eviction searches and cellular phone rentals. Rent Tech offices also provide a customer service center where, at no charge, clients may use phones for local calling or avail themselves of computers and high-speed Internet access.." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that Rent Tech only does business in the rental industry, and exclusively serves customers who do business in the rental industry.

This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that Rent Tech has developed proprietary software to assist customers involved in a rental transaction, and that it purchased another company, Rental Solutions, that was another player in the rental industry. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

226. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 68

227. Evidentiary exhibit number 68 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the PR NEWswire and bears a publication date of 7/19/2000. The title of the article is Homestore.com, Inc. Reports 252% Growth in Second -2.

228. Evidentiary exhibit number 68 has an important bearing on the claimed subject matter. The article clearly states that, "Homestore.com, Inc. (Nasdaq: HOMS) is the leading network of sites on the Internet for home and real estate-related information, products and services. Homestore.com, Inc.'s family of web sites include Homestore.com, Realtor.com(R), HomeBuilder.com, SpringStreet.com, Remodel.com(TM) and HomeFair.com web sites. Consumers can view over 1.4 million new and existing homes for sale and find broker and agent services on Realtor.com(R), the official Internet site of the National Association of Realtors(R). Consumers searching for new homes can find more than 130,000 models, new homes and built to suit plans on HomeBuilder.com, the official new homes site of the National Association of Home Builders. Consumers interested in renting an apartment will find listing information from more than 45,000 properties in more than 6,000 cities on SpringStreet.com.." (No Page Number

Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that the parent company Homestore.com has subsidiary companies, realtor.com and springstreet.com that are set up separately to sell and rent, and each targets different customers. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that realtor.com helps broker the sale of real estate, while separately 45,000 rental properties are listed on an entirely different site that is available in a different geographic area, 6,000 cities, for rentals. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

229. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 69

230. Evidentiary exhibit number 69 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Saint Paul Pioneer Press (Minnesota) and bears a publication date of 7/2/2000. The title of the article is HOMESERVICES.COM IS ATTEMPTING TO STAY IN TOUCH LONG AFTER CLOSING.

231. Evidentiary exhibit number 69 has an important bearing on the claimed subject matter. The article clearly states that, "But technology and the Internet are a central part of HomeServices' strategy. Most people have very close re-lationships with their real estate agent when they buy a house - confiding their needs, incomes and plans - but that relationship abruptly ends at the closing. With typical homeowners selling every seven to nine years,

HomeServices aims to use the Web to maintain that relationship throughout the home "life cycle." (BUSINESS; Pg. 5D) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes in particular that publicly traded company honeservices.com focuses solely on helping people buy a house, from beginning to the final closing. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the main site and its subsidiary sites, like The Hook Up, offer services unique to buyers, such as setting up services like the phone and internet, for the first time on a newly purchased house, which are not problems that renters have to deal with since these utilities are already functioning when they move in. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

232. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 70

233. Evidentiary exhibit number 70 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Contra Costa Sun (California) and bears a publication date of 3/29/2000. The title of the article is BABY-BOOM BUYERS SETTLE IN MIDDLE AMERICA DURING THEIR AUGUST YEARS.

234. Evidentiary exhibit number 70 has an important bearing on the claimed subject matter. The article clearly states that, "Web site for apartment rentalsOnline home-selling auctions have gained some popularity recently, but now a new company is promising a launch of a Web-based

bidding service for apartment rentals. West Hartford, Conn.-based Qrent (www.qrent.com) will launch later this year in test markets in Boston and San Francisco and plans to be in 12 major cities in three years. The site will list rental properties for owners and property managers. Prospective tenants can join an online auction to determine an apartment's rent..” (NEWS; Realty Trends; Pg. 13) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes even though sites to sell homes have been popular previously, at the time the article was written for the first time an internet company was set up, and created a business strategy, to handle rentals. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that the new company, Qrent, had not yet launched, and suggests that it is the first to try rentals even though the industry has other companies that have been doing sales online for some time prior to when the article was written. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

235. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 71

236. Evidentiary exhibit number 71 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the PR Newswire and bears a publication date of 3/7/2000. The title of the article is TO BUSINESS, REAL ESTATE AND TECHNOLOGY EDITORS.

237. Evidentiary exhibit number 71 has an important bearing on the claimed subject matter. The article clearly states that, "Rentals.com (<http://www.rentals.com>) is bringing a powerful business-to-business e-commerce solution to rental management. Located in Redwood Shores, California and founded in February 1999, the Company is the first personal-ized online rental office designed to meet the needs of rental property owners, managers, and renters. The service offers property managers and owners the capability and tools for setting up a virtual rental management office online, while serving as a free, one-stop source for renters. Rentals.com was established by and for working prop-erty managers who understand the issues and challenges facing both owners and renters. Rentals.com is funded by Sequoia Capital and SOFTBANK.." (FINANCIAL NEWS) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes that rentals.com focused exclusively on e-commerce solutions in the rental market. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

238. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 72

239. Evidentiary exhibit number 72 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Star-Ledger (Newark, New Jersey and bears a publication date of 2/11/2000. The title of the article is Candant joins real estate agencies going online.

240. Evidentiary exhibit number 72 has an important bearing on the claimed subject matter. The article clearly states that, "'Online real estate is still in its infancy. The more innovations and new business models, the better.'" (BUSINESS; Pg. 53) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes that in the opinion of the person quoted, business models for real estate on the internet are evolving. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that even for experts, future business models and innovations in online real estate are inevitable. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

241. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 73

242. Evidentiary exhibit number 73 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the PR Newswire and bears a publication date of 1/19/2000. The title of the article is Realtor Magazine Looks at Selling Real Estate the 'E' Way.

243. Evidentiary exhibit number 73 has an important bearing on the claimed subject matter. The article clearly states that, "In her article, Geffner examines what several of the country's largest firms are doing to capture the business of today's computer-savvy, Internet- using home buyers and sellers. The article explores the creation of online models for real estate transactions, including barriers that could block the success of complete e-transactions. Several industry

experts share their insights into the future of the electronic real estate transaction, including David Griffith, Internet business manager for The Corcoran Group in New York, N.Y.; and Richard Smith, chief executive officer of the Cendant Corporation's Real Estate Division in Parsippany, N.J. Despite the impact technology has had on the real estate industry, many practitioners still question whether the real estate industry is prepared for consumers to buy and sell their homes through the Internet, Geffner writes. According to the article, much of the skepticism lies with sales agents, not with the lack of technological capabilities. ." (FINANCIAL NEWS) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes that barriers that block online transactions to buying real estate are just being identified and resolved, but makes no mention of such barriers in the rental context. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that technology had not yet met actual requirements in a sales real estate transaction. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

244. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 74

245. Evidentiary exhibit number 74 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 12/24/1999. The title of the article is INTERNET ONLY ADDS TO TRADITIONAL HOME BUYING.

246. Evidentiary exhibit number 74 has an important bearing on the claimed subject matter. The article clearly states that, "A--few weeks ago, I attended the Realtors' national convention in Orlando. More than 20,000 Realtors were there, and everyone was talking about how the Internet is affecting home sales. After talking with Realtors from all over the nation, many of whom have their personal Web sites, I concluded the Internet is a great place to start your home shopping quest. It's a good way to learn what homes are for sale in the area, but there is no substitute for a personal home inspection tour. The Internet listings are also very incomplete, so don't depend on them to learn total home availability.." (YOUR PLACE; Pg. 8; ZONE: C; Resale Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes that the internet is an effective complement to a home inspection when purchasing a house, and that buyers have specialized needs that are partially addressed by internet real estate sites. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that for the real estate sales sector in particular, at the time of publication the internet and newspapers provide similarly effective tools for buying real estate. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

247. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 75

248. Evidentiary exhibit number 75 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Times and bears a

publication date of 5/21/1999. The title of the article is From using the Internet to auctioning a home.

249. Evidentiary exhibit number 75 has an important bearing on the claimed subject matter. The article clearly states that, “While the Internet is a powerful tool for real estate shoppers, keep in mind it is primarily a marketing tool for sales people. The day-to-day inventory system real estate professionals use to buy and sell houses is a much more effective means of finding the property you want. The only way to gain access to that system is by hiring a Realtor.” (PART F; FRIDAY HOME GUIDE; ON THE HOMEFRONT; Pg. F3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. This article notes that the internet is only effective as a marketing tool, and suggests that the internet is not yet useful at the time of publication of this article for either rentals or sales. This article mentions that companies that do business in the real estate market, and they either focus on sales or rentals, but not both, and depending on what customer base they are targeting, since these different customer bases require different websites created to attract them. In fact, the article mentions that people are better than computers for buying and selling real estate, at the time of publication of this article, and makes no mention of what renters should do. So, renters and buyers benefit in different ways by using different sites that are designed with different functionality that targets buyers and renters differently. This shows that the customer base is different.

250. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 76

251. Evidentiary exhibit number 76 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Ventura County Star and bears a publication

date of 6/15/2001. The title of the article is Real Estate Group Converting Mentor, Calif., Apartment Complex into Condos.

252. Evidentiary exhibit number 76 has an important bearing on the claimed subject matter. The article clearly states that, "Bob Walick, president of the Cleveland Area Board of Realtors, said converting rental units to condominiums was last popular in the 1980s. A 1986 federal tax law revision made the switch less profitable and suitable property became scarce a few years later. "It tapered off in the '90s," Walick said. "Most of the good, solid units were gone." The key to a successful conversion usually is getting current tenants to buy, he added. Older, affluent tenants or others who are not likely to move -- such as those who have lived in one place for a long time -- generally make the best conversion buyers. Ag Group purchased the property in January for more than \$ 6 million.." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

253. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 77

254. Evidentiary exhibit number 77 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Daily Record of Rochester (Rochester, NY) and bears a publication date of 5/15/2001. The title of the article is Commentary: How to avoid extra taxes when selling your house.

255. Evidentiary exhibit number 77 has an important bearing on the claimed subject matter. The article clearly states that, "it as your principal residence for the required amount of time before selling.." (COMMENTARY) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

256. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 78

257. Evidentiary exhibit number 78 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The San Diego Union-Tribune and bears a publication date of 3/4/2001. The title of the article is Additional homes can mean savings.

258. Evidentiary exhibit number 78 has an important bearing on the claimed subject matter. The article clearly states that, "However, the IRS says the profit motive of Internal Revenue Code 183 applies, requiring a profit at least three out of every five years of your rental activities. Summary -- Vacation and second homes are not great tax shelters during ownership. But they can provide modest tax savings during ownership while the property appreciates in market value. However, if you meet the "aggregate" ownership and occupancy tests for two out of the five years before sale, your sale can be tax-free up to \$250,000 per qualified home seller. Please consult your tax adviser for complete details.." (REAL ESTATE;Pg. I-8) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains

that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

259. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 79

260. Evidentiary exhibit number 79 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 2/18/2001. The title of the article is WHAT HAPPENS TO UNUSED REVERSE MORTGAGE CREDIT?.

261. Evidentiary exhibit number 79 has an important bearing on the claimed subject matter. The article clearly states that, "A: The only way to avoid tax on the sale of rental property is an IRC 1031 tax-deferred exchange. I don't understand why the CPA said it won't work. But your friend would then have to trade up to another investment property of equal or greater cost and equity. However, because your friend is willing to finance your purchase and carry back the mortgage, that means he can qualify for installment sale reporting of his profit tax. That means he can spread the capital gains tax over the years of the installment mortgage, perhaps 20 or 30 years. Your monthly payments to him will be partly nontaxable return of his capital investment, partly taxable capital gain and partly taxable interest.." (HOMES; Pg. J26) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords

create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

262. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 80

263. Evidentiary exhibit number 80 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Times and bears a publication date of 2/16/2001. The title of the article is Seller's market has homeowners eyeing move up.

264. Evidentiary exhibit number 80 has an important bearing on the claimed subject matter. The article clearly states that, "'Getting a pre-approval first helps a seller determine their buying power whether they sell their home or decide to keep their first home and rent it to a tenant," says Brad Carter, regional director for Weichert Financial Services."Part of the approval process when you are selling a home will depend on the lender doing a market analysis of the value of your home. The lender will look at comparable homes in your neighborhood, similar to an appraisal to determine the value of your home, then take out 6 percent of that for the anticipated Realtor's commission, subtract the amount still due on your mortgage, then determine the amount of equity left in the property.'" (PART F; FRIDAY HOME GUIDE; MOVING UP; Pg. F28) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by

Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

265. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 81

266. Evidentiary exhibit number 81 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 2/11/2001. The title of the article is REALIZE SAVINGS FROM 2ND HOME; TAKE A TIP FROM MILLIONS OF SNOWBIRDS: KEEP ACCURATE RECORDS ON YOUR VACATION GETAWAY OR RENTAL HOUSE AND YOU'LL COME OUT AHEAD WHEN TAX TIME ROLLS AROUND..

267. Evidentiary exhibit number 81 has an important bearing on the claimed subject matter. The article clearly states that, "Depending on the amount of time spent at each home, one or both might qualify for up to \$250,000 home-sale tax-free profits if you should decide to sell. If you're married and both spouses meet the occupancy test, then up to \$500,000 home-sale profits can be

tax-free..” (HOMES; Pg. J13) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

268. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 82

269. Evidentiary exhibit number 82 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 1/7/2001. The title of the article is Q. & A.; For Sale: Stabilized Rental Unit.

270. Evidentiary exhibit number 82 has an important bearing on the claimed subject matter. The article clearly states that, “David Goldsmith, director of marketing for DG Neary Realty in Manhattan, said it is generally difficult for the owner to sell a rent-stabilized apartment while the legal tenant still occupies it. That is because such tenants -- and their legal successors -- have the

right to remain for as long as they continue to pay the rents. Investors who do buy occupied apartments normally prefer they produce at least enough rental income to offset the monthly maintenance charges. But even then, Mr. Goldsmith said, an occupied rent-stabilized apartment would most likely sell for only a fraction of the value it would have if it were not subject to rent regulations. In addition, he said, investors who buy occupied apartments generally prefer to buy large blocks of them in the same building..” (Section 11; Column 1; Real Estate Desk; Pg. 6)

This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

271. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 83

272. Evidentiary exhibit number 83 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication

date of 12/23/2000. The title of the article is KEEP INFORMED;TITLE INSURANCE PROTECTS HOMEOWNER IN CASE OF MECHANICS' LIEN.

273. Evidentiary exhibit number 83 has an important bearing on the claimed subject matter. The article clearly states that, "No. Your tax adviser is wrong. Fire him! Hire a better tax adviser who understands Internal Revenue Code 121.It simply says that a principal residence seller is entitled to claim up to \$250,000 tax-free sale profits (up to \$500,000 for a married couple filing jointly) if the home has been owned and occupied by the seller an "aggregate" of two of the last five years before the sale.That means you can rent your former principal residence up to three years before selling it and still claim the \$250,000/\$500,000 tax exemption. That's because you owned and occupied it the previous two years. For more details, please consult a new tax adviser.." (New Homes; Pg. 2; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

274. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 84

275. Evidentiary exhibit number 84 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the International Briefing and bears a publication date of 12/15/2000. The title of the article is Allocation of Basis in Common Improvements After the Tax Court's 'Norwest' Decision - Roberts & Holland.

276. Evidentiary exhibit number 84 has an important bearing on the claimed subject matter. The article clearly states that, "The Bank retained two consulting firms in 1984, prior to construction of the Atrium, to evaluate the Bank's real estate holdings and to make recommendations regarding the possible sale of properties. Both these reports concluded that the increase in the rental value of the adjoining properties did not justify the cost of constructing the Atrium, which was estimated at that time to be \$25 million. The reports also suggested that the Bank should not build the Atrium unless it was obligated to do so, and that the Bank consider whether it could avoid that obligation for an amount less than the excess of the \$25 million estimated cost over the present value of the projected net cash flow from the Atrium (\$2.7 million). Both consultants also suggested, however, that the Bank take into account the "recognition" value and enhancement of image anticipated from the Atrium. Shortly after receiving these reports, the Bank decided to offer 2UBC and the Ground Lease (relating to 1UBC) for sale, but also decided to proceed with the Atrium (for reasons noted below). Construction of the Atrium commenced in 1985 and was completed in 1987, with the Atrium structure being placed in service in 1986. The total cost of the Atrium, Skyway, and related equipment, furniture and fixtures through 1987 was approximately \$34 million.." (LEGISLATION & REGULATION) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or

Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

277. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 85

278. Evidentiary exhibit number 85 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the National Real Estate Investor and bears a publication date of 10/31/2000. The title of the article is The gold rush continues.

279. Evidentiary exhibit number 85 has an important bearing on the claimed subject matter. The article clearly states that, "According to Elgonemy, when sellers do decide to sell, they expect a top price. He reports San Francisco's Westin St. Francis sold in April for \$243 million, or \$204,000 a key, while the Westin Santa Clara sold in December for \$110 million, or \$218,000 a key. Buyers

280. are reluctant to pay these rates, he adds, because the combination of high price and today's higher interest rates makes it difficult to clear a profit. ." (Northern California Market

Review; ISSN: 0027-9994) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

281. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 86

282. Evidentiary exhibit number 86 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Times and bears a publication date of 10/20/2000. The title of the article is What to do with home you just inherited.

283. Evidentiary exhibit number 86 has an important bearing on the claimed subject matter. The article clearly states that, ""You know, in a very real sense, we are highly paid, professional counselors," says Mark McFadden, an agent with Pardoe Real Estate. "Buying and selling homes are some of the most stressful things anyone ever goes through. Add in the death of a loved one,

and you can have a huge struggle ahead of you. That's why you'll need a tremendous amount of help." Even if the house is next door, there's a lot to handle. But what if it is in Des Moines? What if it's in poor condition? Or suppose Uncle Mike wants to buy it from you. Maybe you should move into the property yourself and avoid all of this. Often, though, that's not an option, so many folks find they need to sell the home or rent it out. ." (PART F; FRIDAY HOME GUIDE; Pg. F1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

284. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 87

285. Evidentiary exhibit number 87 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Oregonian and bears a publication date of 10/9/2000. The title of the article is TROUBLED HOMES AMID PROSPERITY.

286. Evidentiary exhibit number 87 has an important bearing on the claimed subject matter. The article clearly states that, "Merrill says he expects lenders to pull dozens of repossessed homes from his parks. He has refused to lower space rent for lenders, even though a break might keep some from moving homes out of the parks. Likewise, Merrill said he won't follow other park owners who have bought homes from lenders at discounted prices and sold them within the park."If [lenders] want to take them out, they can take them out," he said. "We will leave them empty until there are bona fide, qualified buyers who can buy homes and move them in." ."(LOCAL STORIES; Pg. A01) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

287. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 88

288. Evidentiary exhibit number 88 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 10/7/2000. The title of the article is Condos Reach New Heights; Development, Demand May Be Hottest Ever For D.C. and Suburbs.

289. Evidentiary exhibit number 88 has an important bearing on the claimed subject matter. The article clearly states that, "'We were all happy with the building as a rental property," said Tony Trujillo, president of the tenants association at 3901 Connecticut and now head of the residents association, "but obviously for the younger residents the possibility to buy at below-market prices was very appealing.'" (REAL ESTATE; Pg. G01) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

290. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 89

291. Evidentiary exhibit number 89 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 8/20/2000. The title of the article is SMART BUYERS SNAP UP FORECLOSURE DEAL.

292. Evidentiary exhibit number 89 has an important bearing on the claimed subject matter. The article clearly states that, "Yes. Internal Revenue Code 121 says that to be eligible for the \$250,000 principal residence sale tax exemption, the owner must have owned and occupied it an "aggregate" two years during the past five years before its sale. Presuming you lived in the house for at least two years and moved out on March 30, converting your former residence into a rental house at that time, you can rent it up to three years -- until March 30, 2003 -- without losing the \$250,000 sale exemption, up to \$500,000 for a married couple filing jointly.." (HOMES; Pg. J21) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

293. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 90

294. Evidentiary exhibit number 90 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 8/6/2000. The title of the article is RENTAL HOMES CAN OFFER GREAT PROFIT POTENTIAL;IT'S TOUGH TO LOSE MONEY WHEN REAL ESTATE VALUES ARE APPRECIATING AND THE TAX STRUCTURE IS WORKING FOR YOU.

295. Evidentiary exhibit number 90 has an important bearing on the claimed subject matter. The article clearly states that, "Then I explained why experienced rental house investors buy properties that are likely to go up in market value. I politely emphasized the stock market appreciates, on average, about 11 percent each year. However, thanks to the "magic of leverage," smart rental house investors won't purchase unless they can see at least a 20 to 30 percent annual return on their invested dollars.In addition, I said, "Don't forget the depreciation tax deductions to shelter the rental income from taxation." Then I explained why depreciation is the best tax deduction of all because it is a noncash deduction for estimated wear, tear and obsolescence on the rental property. I believe I lost her on that benefit.." (HOMES; Pg. J22) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that

appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

296. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 91

297. Evidentiary exhibit number 91 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The San Diego Union-Tribune and bears a publication date of 7/30/2000. The title of the article is Here's why real estate is a better investment than the stock market.

298. Evidentiary exhibit number 91 has an important bearing on the claimed subject matter. The article clearly states that, "Then I explained why experienced rental house investors buy properties that are likely to go up in market value. I politely emphasized the stock market appreciates, on average, about 11 percent each year. However, thanks to the "magic of leverage," smart rental house investors won't purchase unless they can see at least a 20 percent to 30 percent annual return on their invested dollars. In addition, I remarked, "Don't forget the depreciation tax deductions to shelter the rental income from taxation." Then I explained why depreciation is the best tax deduction of all since it is a noncash deduction for estimated wear, tear and obsolescence on the rental property. I think I lost her on that benefit.." (REAL ESTATE;Pg. H-3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right

price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 92

300. Evidentiary exhibit number 92 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 7/29/2000. The title of the article is SURPRISE BONUS;WHEN \$250,000 HOME-SALE TAX BREAK IS AVAILABLE FOR RENTAL HOUSE.

301. Evidentiary exhibit number 92 has an important bearing on the claimed subject matter. The article clearly states that, "There is no need to rush to sell the house. If residences are appreciating in that area, you might wish to keep it as a rental for a year or two while it goes up in value before putting it on the market for sale. However, all depreciation you deduct on your Schedule E rental income tax return will be recaptured and taxed at a special 25-percent federal tax rate at the time of the rental house sale. For further details, please consult your tax adviser.." (New Homes; Pg. 17; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are

real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

302. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 93

303. Evidentiary exhibit number 93 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the International Money Marketing and bears a publication date of 7/1/2000. The title of the article is Case Study Mr X.

304. Evidentiary exhibit number 93 has an important bearing on the claimed subject matter. The article clearly states that, "While he could take out a residential mortgage with an offshore provider, it may be more beneficial for him to take out one of the buy- to-let mortgages designed for expats to buy UK property. These loans are generally based on the potential rental income rather than on personal income, which should make it easier for Mr X if he wants to buy a property in Spain. He could expect to see a yield of between five and ten per cent, but would

need to ensure that he has a good agent to look after the property in his absence..” (Pg. 20) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

305. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 94

306. Evidentiary exhibit number 94 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Record (New Jersey) and bears a publication date of 6/30/2000. The title of the article is Hackensack, N.J.-Area Retirees Consider Surroundings, Cost to Relocate.

307. Evidentiary exhibit number 94 has an important bearing on the claimed subject matter. The article clearly states that, “If you decide to sell your home in North Jersey, you may have large capital gains. But thanks to recent changes in the tax laws, homeowners can avoid taxes on

\$ 250,000 (\$ 500,000 for a married couple) in capital gains on a house sale. If you want to have two homes -- one in the North for the summer and one in the South for the winter -- mortgage interest is deductible on both, up to a total of \$ 1 million. Rather than move out of the area, some people want to sell the big house and rent an apartment nearby. Because rents are so high in northern New Jersey -- \$ 1,000 or more is common for a one-bedroom -- your monthly costs may not go down much, but you will convert your house's value into cash for living expenses..” (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 95

309. Evidentiary exhibit number 95 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication

date of 6/24/2000. The title of the article is NEVER TOO LATE;CONCEPT OF WAITING FOR A BETTER PRICE ON A HOME WON'T WASH.

310. Evidentiary exhibit number 95 has an important bearing on the claimed subject matter. The article clearly states that, "Presuming you lived in the house for at least two years and moved out on March 30, 2000, converting your former residence into a rental house at that time, you can rent it up to three years -- until March 30, 2003 -- without losing the \$250,000 sale exemption, up to \$500,000 for a married couple filing jointly. There is no need to rush to sell the house. If residences are appreciating in that area, you might wish to keep it as a rental for a year or two while it goes up in value before putting it on the market for sale. However, all depreciation you deduct on your Schedule E rental income tax return will be recaptured and taxed at a special 25-percent federal tax rate at the time of the rental house sale. For further details, please consult your tax adviser.." (New Homes; Pg. 24; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 96

312. Evidentiary exhibit number 96 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the South Bend Tribune (Indiana) and bears a publication date of 6/17/2000. The title of the article is Home-sale tax break available for rental house REAL ESTATE NOTEBOOK.

313. Evidentiary exhibit number 96 has an important bearing on the claimed subject matter. The article clearly states that, "Yes. Internal Revenue Code 121 says that to be eligible for the \$250,000 principal residence sale tax exemption, the owner must have owned and occupied it an "aggregate" two years during the past five years before its sale. Presuming you lived in the house for at least two years and moved out March 30, converting your former residence into a rental house at that time, you can rent it up to three years--until March 30, 2003--without losing the \$250,000 sale exemption, up to \$500,000 for a married couple filing jointly. There is no need to rush to sell the house. If residences are appreciating in that area, you might wish to keep it as a rental for a year or two while it goes up in value before putting it on the market for sale. However, all depreciation you deduct on your Schedule E rental income tax return will be recaptured and taxed at a special 25-percent federal tax rate at the time of the rental house sale. For further details, please consult your tax adviser.." (HOME, Pg. c4) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods

to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

314. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 97

315. Evidentiary exhibit number 97 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 6/3/2000. The title of the article is NEW HOMEOWNER GETS RAINED ON.

316. Evidentiary exhibit number 97 has an important bearing on the claimed subject matter. The article clearly states that, "Normally, I do not recommend long-distance rentals; however, because you plan to return to the same area in three years, I strongly suggest you do not sell today. Renting for three years, even if you break even, could be an excellent decision.." (HOMES; Pg. G10) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are

different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

317. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 98

318. Evidentiary exhibit number 98 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Fort Collins Coloradoan and bears a publication date of 5/28/2000. The title of the article is Many variables weigh in on 'buy first, sell first' quandary.

319. Evidentiary exhibit number 98 has an important bearing on the claimed subject matter. The article clearly states that, "The new owners of your home may agree to a long closing or a rent-back option so you can take your time, look around, and buy the house that's just right for you.." (REAL ESTATE; Dave Pettigrew; Pg. 2F) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent

real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 99

321. Evidentiary exhibit number 99 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 5/5/2000. The title of the article is CODE WORD;HOW TO DECIPHER THE MEANING OF 'PRINCIPAL RESIDENCE'.

322. Evidentiary exhibit number 99 has an important bearing on the claimed subject matter. The article clearly states that, "If you rent that cabin fewer than 14 days per year, you need not report any rental income received nor do you have to file Schedule E with your federal income tax returns. Since you only occupy that seasonal cabin about three months each year, you will not be able to claim the \$250,000 tax exemption when you sell since it is clearly not your principal residence. Unless you greatly increase your occupancy, you cannot meet the two-out-of-last-five-years occupancy and ownership test. You'll just have to pay the capital gain tax on your sale profit at that time. For further details, please consult your tax adviser.." (YOUR PLACE; Pg. 14; ZONE: C) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different

sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

323. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 100

324. Evidentiary exhibit number 100 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The San Diego Union-Tribune and bears a publication date of 4/23/2000. The title of the article is Renting temporarily has its advantages.

325. Evidentiary exhibit number 100 has an important bearing on the claimed subject matter. The article clearly states that, "The question to ask yourselves is whether your current home will be worth more in three years. Since your letter comes from a highly desirable area, the only direction your home value will probably go is up during the next three years. Another question to ask is if you sell your home today and take your tax-free profit, will you be able to buy back into the same housing market in three years? I think you know the answer is no. Normally, I do not recommend long-distance rentals; however, since you plan to return to the same area in three years, I strongly suggest you do not sell today. Renting for three years, even if you only break

even, could be an excellent decision. While renting you can deduct mortgage interest, property taxes, insurance, homeowner association dues, maintenance and other out-of-pocket expenses from the rent received..” (REAL ESTATE;Pg. H-7) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

326. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 101

327. Evidentiary exhibit number 101 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Times-Picayune (New Orleans, LA) and bears a publication date of 4/8/2000. The title of the article is \$5,000 MAY WARM COLD- FEET;DEPOSIT MAY LURE BACK RELUCTANT HOME BUYERS.

328. Evidentiary exhibit number 101 has an important bearing on the claimed subject matter. The article clearly states that, "Current tax law allows single tax filers to keep up to \$250,000 and joint filers to keep \$500,000 of their home-sale profit tax-free, provided that they have owned and lived in their home for two of the past five years. This means an owner could rent his or her home out for up to three years and still be eligible for the money-saving tax break -- as long as the owner personally occupied the house for the two years before it was rented out. The only way most homeowners can lose their eligibility is to rent their home out for more than three years. Though the writer of the story you read was incorrect when he said that a homeowner "automatically" loses the tax break by moving out and renting to a tenant, consult a tax professional for details about your personal financial situation.." (REAL ESTATE; Pg. R3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 102

330. Evidentiary exhibit number 102 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 3/19/2000. The title of the article is INCOME TAX MAY BE DUE ON DEPRECIATED PROPERTY.

331. Evidentiary exhibit number 102 has an important bearing on the claimed subject matter. The article clearly states that, "If you can't sell or rent the condo, try a lease-option. With a big enough rent credit toward the purchase price, at least 33 percent or perhaps even 50 percent of the rent paid, chances are excellent the lease-option tenant will exercise his purchase option.." (HOMES; Pg. J14) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

332. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 103

333. Evidentiary exhibit number 103 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Ethnic NewsWatch Wind River News and bears a publication date of 3/9/2000. The title of the article is Riverton housing market strong: some softening seen.

334. Evidentiary exhibit number 103 has an important bearing on the claimed subject matter. The article clearly states that, ""That's why Realtors are so concerned about the College Hill Development,"he said. Fewer people will buy houses if they can rent a new apartment for alow price, he said.." (Vol. 23; No. 10; Pg. 2) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 104

336. Evidentiary exhibit number 104 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the *Entrepreneurship: Theory and Practice* and bears a publication date of 1/1/2000. The title of the article is *Kacey Fine Furniture: Human Resource Management in the Face of Change*.

337. Evidentiary exhibit number 104 has an important bearing on the claimed subject matter. The article clearly states that, "LoDo was changing from a low-rent commercial district to a high-rent entertainment area, with increased activity in the area east of Cherry Creek. The buildings between Auraria Parkway and the railroad tracks, however, that once housed the furniture district, were soon vacant and Kacey's seven-story building was a drive-by landmark, a destination place only for those who went out of their way to stop. Although the number of housing units increased, furniture sales in LoDo suffered. On April 10, 1995, Franklin Furniture, located two blocks from Coors Field, announced that it planned to move to the suburbs by spring of 1996. "Business has been getting worse in the last two years because there is no parking," and sales have dropped 20%, owner Jerry Kozatch explained. (Conklin, 1995a). While Franklin Furniture owned its building, it had to buy parking permits for trucks at its loading dock." (No. 2, Vol. 25; Pg. 95 ; ISSN: 1042-2587) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail

shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 105

339. Evidentiary exhibit number 105 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Seattle Times and bears a publication date of 11/20/1999. The title of the article is THE HIGH-RENT DISTRICT -- PLUSH NEW APARTMENTS LURE TENANTS WHO HAPPILY WRITE CHECKS EACH MONTH FOR AS MUCH AS \$ 3,500.

340. Evidentiary exhibit number 105 has an important bearing on the claimed subject matter. The article clearly states that, "'People in their 40s and 50s don't consider rental housing a negative," Scott said. "The whole rental market has changed from selling a place to live to selling a concept.".' (SATURDAY REAL ESTATE; Pg. E1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even

though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 106

342. Evidentiary exhibit number 106 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Cincinnati Enquirer and bears a publication date of 10/27/1999. The title of the article is Retirement in "bricks and mortar".

343. Evidentiary exhibit number 106 has an important bearing on the claimed subject matter. The article clearly states that, "Just because prices for buildings are going up, that doesn't mean rents will, brokers say. Average rent increases in the first half of 1999 were just 2 percent, lower than in previous years, according to a CB Richard Ellis survey. Vacancy rates area-wide are about 4 percent, according to a new survey by Gem Real Estate Group. That's tight, but not so tight that renters can't find another place to live if their landlords raise rents. And with interest rates low, making home mortgages affordable, many apartment dwellers can just buy a home.." (FIN; Pg. 10B) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and

interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 107

345. Evidentiary exhibit number 107 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Business First-Louisville and bears a publication date of 9/3/1999. The title of the article is Depressed housing offers returns for local investors.

346. Evidentiary exhibit number 107 has an important bearing on the claimed subject matter. The article clearly states that, "Mike Tabler, sales and leasing manager for LDG, said, "We started buying properties in need of major attention. We sold a few, or we would buy them, fix them up and rent them as an investment."Investors who choose to keep and rent their properties might choose to manage them themselves or hire a management company to do the rent collection and maintenance work.

347. Art Geissler, a Realtor who also works for RE/MAX Properties East in Timberwood Circle in Louisville, is doing residential sales as well as sales of investment properties." (Vol 16; No 4; pg 38) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human

beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 108

349. Evidentiary exhibit number 108 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Boston Globe and bears a publication date of 8/8/1999. The title of the article is A house divided;As cousins multiply and property values rise, the dreamy summer home of childhood memory can turn into a family nightmare..

350. Evidentiary exhibit number 108 has an important bearing on the claimed subject matter. The article clearly states that, "It was at about this point that Judge John P. Cronin of Dukes County probate court, who had seen more than enough of the Norton brothers, began showing his weariness. "After reviewing the evidence presented by [Norton] at approximately five court Hearings over the course of two years, I . . . believe his motivation is to cause delay and interfere with any sale, lease, or other action which would interfere with his continuing to live rent free at this unique waterfront property on Edgartown harbor," Cronin wrote in a decision that denied Norton's petition to void the sale.." (MAGAZINE; Pg. 18) This quote clearly shows that products

in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 109

352. Evidentiary exhibit number 109 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Dallas Observer (Texas) and bears a publication date of 7/29/1999. The title of the article is Old business;Small-time antiques dealers find themselves out in the cold.

353. Evidentiary exhibit number 109 has an important bearing on the claimed subject matter. The article clearly states that, "No hint, that is, except a history of bad debts and troubled finances that his tenants were unaware of until Cecil's past caught up with them. Now, when it comes to collecting the rent they paid Cecil and the money he owes them from sales of their

antiques, some fear they may be out of luck. To Cecil, shutting down the two malls is just business--closings happen--but the 100 or so small dealers tossed out of Cecil's malls on July 8 are left contemplating another lesson: Let the tenant beware. Like most antique dealers, Levy conducts business out of a mall because it affords him the convenience of owning a retail business without the red tape. In exchange for rent and 6 percent of his sales, Levy received space to display his merchandise at Knox Street Antique Mall. Cecil's company took care of hiring a full-time staff, advertising and promoting the mall, and paying the sales taxes on merchandise sold. Twice a month, the mall issued checks to the dealers for their sales..” (News) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 110

355. Evidentiary exhibit number 110 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 7/18/1999. The title of the article is GETTING RID OF A LOW-INTEREST MORTGAGE MIGHT NOT PAY.

356. Evidentiary exhibit number 110 has an important bearing on the claimed subject matter. The article clearly states that, "Read the "houses for rent" or "condos for rent" newspaper classified ads. Inspect the ones that interest you. When you find one you like, ask the landlord if he or she will lease it to you with an option to buy. Many landlords want to sell eventually, so your lease-option offer might be welcome.." (HOMES; Pg. J18) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

357. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 111

358. Evidentiary exhibit number 111 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Morning Call (Allentown, PA) and bears a publication date of 5/9/1999. The title of the article is NEW WAYS TO SELL;INVESTORS HAVE DEVELOPED CREATIVE WAYS TO BUY AND SELL HOMES. EVER THOUGHT;ABOUT RENT-TO-OWN?.

359. Evidentiary exhibit number 111 has an important bearing on the claimed subject matter. The article clearly states that, "He buys homes for cash, arranges owner financing, or finds a tenant who will rent with an option to buy.Rummel bought Matura's house for cash. "We haggled a little and came to a figure that we were both happy with," Matura said.Matura was happy because she was able to use the money from Rummel to help buy an 8-year-old home in Coplay. And Rummel was happy because he has someone who is interested in renting the home with the option to buy. The tenant is a contractor and will be able to renovate the property, Rummel said.." (REAL ESTATE/HOME, Pg. G1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and

depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 112

361. Evidentiary exhibit number 112 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The San Francisco Chronicle and bears a publication date of 5/5/1999. The title of the article is How to Buy the House You're Renting; Tenant-buyers can avoid market frenzy.

362. Evidentiary exhibit number 112 has an important bearing on the claimed subject matter. The article clearly states that, "Tom and Angela Benedict are one couple who bought the house they were renting in Mill Valley. Although their place wasn't on the market, the Benedicts asked their landlord about the possibility of buying it. They had already established a positive tenant-landlord relationship, and they were fond of the house and location. So, why move, they asked themselves, when they were perfectly happy where they were living.." (HOME; Pg. 1/Z1; REALTY CHECK) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets

(storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 113

364. Evidentiary exhibit number 113 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Tennessean and bears a publication date of 4/5/1999. The title of the article is VACATION PROPERTY IS AN ASSET.

365. Evidentiary exhibit number 113 has an important bearing on the claimed subject matter. The article clearly states that, "For example, if you spend four months in your Florida condo and rent it to friends for a total of another two months, you're still a vacation-home owner. And if neighboring condos rent for \$1,000 a week and you let friends take yours for \$500 a week, you're not jeopardizing the "personal use" status since you're not charging fair market rent. IRS Publication 544, "Sales and Other Dispositions of Assets," takes you through that kind of sale. But if the vacation home is a rental property, used and maintained as such, you get another whole set of rules. Pick up Publication 527, "Residential Rental Property (Including Rental of Vacation Homes)," for this. It takes you through reporting of expenses and how they are allocated between commercial and personal use, for example. The sale of a rental home should be reported on Form 4797, "Sales of Business Property," that's used in conjunction with Schedule D." (BUSINESS; MONEY MATTERS; Pg. 1E) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would

buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 114

367. Evidentiary exhibit number 114 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 3/5/1999. The title of the article is CONDO CONVERSION MAY MEAN HEAVE-HO.

368. Evidentiary exhibit number 114 has an important bearing on the claimed subject matter. The article clearly states that, "On the other hand, if the sales are not moving briskly, or if the developer doesn't envision having to rehab your apartment in the near future, the developer may be glad to get the additional revenue which your rent will generate while the building is being converted from rentals to condominiums.." (YOUR PLACE; Pg. 27; ZONE: C; Rental Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings,

and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 115

370. Evidentiary exhibit number 115 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Miami Herald and bears a publication date of 2/21/1999. The title of the article is SECURITY DEPOSIT SHOULDN'T BE USED INSTEAD OF RENT.

371. Evidentiary exhibit number 115 has an important bearing on the claimed subject matter. The article clearly states that, "The only way to avoid tax on more than \$500,000 of home sale profits is to convert your home to rental status and then make a tax-deferred exchange under Internal Revenue Code 1031. You can then sell your rental house, have the sales proceeds held by a third-party intermediary, and use them to acquire another rental property of equal or greater cost. That might not be what you want to do. Please consult your tax advisor for details.." (TROPICAL HOME; Pg. 16H) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they

are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

372. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 116

373. Evidentiary exhibit number 116 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 2/14/1999. The title of the article is PUT TAX-BREAK SQUEEZE ON VACATION HOME.

374. Evidentiary exhibit number 116 has an important bearing on the claimed subject matter. The article clearly states that, "Minimal or no rental time. If you rent your vacation or second home to paying guests less than 14 days per year, regardless of the rent amount received, you don't have to tell Uncle Sam about that rent income. It's tax-free.." (HOMES; Pg. J13) This quote clearly shows that products in the real estate sales market are a distinct product from those in the

rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

375. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 117

376. Evidentiary exhibit number 117 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 2/14/1999. The title of the article is REALITY AND YOUR RETIREMENT DREAM;DON'T ACCEPT THE HAPPILY-EVER-AFTER PROMISES OF A SALESPERSON. ASK QUESTIONS AND GET THE FACTS..

377. Evidentiary exhibit number 117 has an important bearing on the claimed subject matter. The article clearly states that, "Look to the future. What is the potential rent or activity fee increase per year? An addendum: Who decides how much the payment will increase?Hal and Dee Hillman moved to a Central Florida manufactured-home retirement community in 1993

where they owned their home but rented a lot. Their lease agreement stated that rent could go up no more than 5 percent per year, but the contract did not specify a measure, such as inflation, for the increases. Their rent increased the maximum amount each year. Last year the Hillmans moved to Spruce Creek Country Club, Del Webb Corp.'s site-built community in south Marion County near Lady Lake. They're happy with Spruce Creek, but they have not yet sold their previous home. A buyer would have to accept the Hillmans' lease contract, and the Hillmans are competing with lower lot rents that the developer now offers to new residents..” (HOMES; Pg. J1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 118

379. Evidentiary exhibit number 118 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the SAINT PAUL PIONEER PRESS and bears a publication date of 2/6/1999. The title of the article is .

380. Evidentiary exhibit number 118 has an important bearing on the claimed subject matter. The article clearly states that, "A. Dear Ms. McLeod:Based on the information and dates provided, there would be no inheritance taxes resulting from the sale of you triplex. As a rental property, sale would result in capital gains tax.To avoid taxes, if the triplex were converted from rental to primary personal residence, after two years up to \$ 500,000 of gain for a married couple (\$ 250,000 if single) may be excluded from taxation. Keep in mind, if you occupy only one of the three rental units, only that part of the sale price allocated to the occupied unit is eligible for tax exemption.Alternatively, the triplex could be part of a tax free exchange for other rental property. To pursue a tax free exchange, you will need the services of a knowledgeable real estate broker and counsel of an attorney.." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but

not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 119

382. Evidentiary exhibit number 119 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 1/30/1999. The title of the article is NO BARGAIN;THINK TWICE BEFORE BUYING THAT YEAR-ROUND HOUSE IN A DISTANT VACATION AREA.

383. Evidentiary exhibit number 119 has an important bearing on the claimed subject matter. The article clearly states that, "A--Although VA loan qualifications are often easier than conventional lenders' qualifications, eight collections and a tax lien will probably disqualify you for approval until they are cleared up. Another problem is your planned change of jobs. Until you have a success record as a real estate salesman (usually two years of consistent earnings), you will have trouble obtaining any mortgage. I suggest you consult a VA mortgage lender to have your financial situation reviewed. My recommendation is that you postpone buying a home until you straighten out your finances and are earning a steady income in your new real estate sales career. While you're waiting, a lease-option can give you the opportunity to try out a home for a year or two before purchase while you build a rent credit toward the down payment.." (NEW HOMES; Pg. 10; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and

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Evidentiary Exhibit Number 120

385. Evidentiary exhibit number 120 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Business Journal-Portland and bears a publication date of 1/29/1999. The title of the article is Affordable housing crisis response slams developers.

386. Evidentiary exhibit number 120 has an important bearing on the claimed subject matter. The article clearly states that, "Beardsley is holding up his end of the bargain, and HUD, at least in Beardsley's case, is doing the same. Now, however, as the contract nears expiration, the city of Portland is trying to prevent Beardsley and others from realizing the agreement's net benefit: the ability to convert units to market-rate rents when contracts expire. In August, at the urging of then-housing commissioner Gretchen Kafoury the Portland City Council passed an ordinance that forces owners to do one of three things: keep the buildings affordable in perpetuity; sell them to the city; or pay a "replacement fee" of no less than \$ 31,000 for each low-income apartment unit they convert to market rate. The upshot for developers like Beardsley is that, instead of a payoff at the end of their affordable housing projects, they're getting the shaft. ."

(Vol 15; No 49; pg 1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 121

388. Evidentiary exhibit number 121 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Philadelphia Inquirer and bears a publication date of 1/24/1999. The title of the article is IT'S UNSEASONABLY HOT AT THE SHORE / IT'S NOT EL NINO. IT'S THE ECONOMIC BOOM. DEMAND FOR RENTAL, SALE AND CONSTRUCTION OF HOMES IS AT AN UNPRECEDENTED LEVEL..

389. Evidentiary exhibit number 121 has an important bearing on the claimed subject matter. The article clearly states that, "Repeat renters tend to treat the houses as if they were their own, which reduces maintenance and repair costs. While the season for securing rentals has expanded,

there are fewer people physically showing up to look, rental agents said. "We're seeing more people booking over the telephone," said Tim Richards, owner of the Richards Agency in Ocean City. "Life has changed, and we don't have the time anymore." At Ocean City, there are a lot of new rentals on the market, as it, too, "has experienced a boom in tear-downs," Grisbaum said. "But of the duplexes that are being built, only half are for rent," Grisbaum said. "When someone builds a duplex, one of the units is a second home, not a rental." "The second/vacation home trend has pushed sales to unprecedented levels in Ocean City, Grisbaum said." (REAL ESTATE; Pg. M01) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 122

391. Evidentiary exhibit number 122 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Puget Sound Business Journal and bears a publication date of 1/15/1999. The title of the article is Low-income housing proposal stirs debate.

392. Evidentiary exhibit number 122 has an important bearing on the claimed subject matter. The article clearly states that, "As drafted, the ordinance would require sellers of "a federally assisted housing development" to notify renters and the city. Within 90 days, interested tenants or lowincome housing groups would have to put up 2 percent of the price and "a fully executed purchase and sale agreement." If the sale didn't close within 180 days of the notification, owners would be free to sell to whomever they wish. The Seattle King County Housing Development Consortium, a trade association of 23 nonprofit developers, wants more liberal terms than the current proposal offers. It would replace the earnest-money provision with a 30-day letter-of-interest requirement and extend the overall period to 240 days, so there would be enough time to apply for subsidies. Steinbrueck and the Apartment Association differ over the meaning of "rent controls." The association says controls include required notice of rent increases and regulation of the rate of increases. Steinbrueck calls these measures "rent stabilization." While he's not in favor of rent ceilings, Steinbrueck said, "I do have an interest in rent stabilization." (Vol 19; No 37; pg 7) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free

cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 123

394. Evidentiary exhibit number 123 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the South Bend Tribune (Indiana) and bears a publication date of 1/2/1999. The title of the article is Can joint tenant be taken off title without consent?REAL ESTATE NOTEBOOK.

395. Evidentiary exhibit number 123 has an important bearing on the claimed subject matter. The article clearly states that, "Answer: Please consult your tax adviser. If the school district condemned your property under eminent domain, Internal Revenue Code 1033 gives you at least two years to reinvest the sale proceeds into a similar use property without owing tax on your profit. However, if you made an outright sale to the school district and didn't comply with the Starker tax-deferred exchange rules of Internal Revenue Code 1031(a)(3), then you owe tax on your profit even if you reinvest the proceeds into another rental property.." (Home, Pg. c3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically,

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Evidentiary Exhibit Number 124

397. Evidentiary exhibit number 124 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Journal of the American Planning Association and bears a publication date of 1/1/1999. The title of the article is Incentive property taxation: a potential tool for urban growth management..

398. Evidentiary exhibit number 124 has an important bearing on the claimed subject matter. The article clearly states that, "The two-rate tax would discourage land speculation, that is, the holding of unimproved or under-improved property for the purpose of reselling profitably without any substantial capital investment. A differential tax rate that was high compared to land price inflation could diminish the accumulating windfall for the holdout owner. That is, if the tax would capture a large portion of the land's economic rent, the owner would in all likelihood capitalize the depletion into a lower resale price.." (No. 1, Vol. 65; Pg. 62; ISSN: 0194-4363) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings,

and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

399. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 125

400. Evidentiary exhibit number 125 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the OECD Economic Surveys - Denmark and bears a publication date of 1/1/1999. The title of the article is OECD economic surveys 1998-1999: Denmark; Organization for Economic Cooperation and Development; Brief Article.

401. Evidentiary exhibit number 125 has an important bearing on the claimed subject matter. The article clearly states that, "Housing investment in Denmark, at 3 3/4 per cent of GDP, is now rather low internationally. This partly reflects the high standard of housing and the fact that costs facing owner-occupiers have been gradually aligned with other investment options. In general, property rights in this segment of the market provide important incentives to repair and maintenance. But rent controls in social and pre-1992 vintages of private rented housing cause significant inefficiencies and have adversely affected the supply of such housing. Maintenance and repair of the existing stock of private rental housing have suffered. Those investors bringing

new rental property on the market in the past fifteen years have mainly been tax-privileged institutions such as pension funds and life-insurance companies. In consequence, responsibility has been shifted back to the political system, necessitating large outlays to renovate and modernise the old rental property stock. The urban renewal programme of the 1990s, amounting to DKr 18 billion, has committed close to DKr 11 to 12 billion of public funds at even more favourable financing and individual support conditions than available elsewhere in the housing sector..” (Pg. 1; ISSN: 0474-5159) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 126

403. Evidentiary exhibit number 126 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Sun (Baltimore) and bears a publication date of 11/29/1998. The title of the article is It helps to know the real estate lingo; Just don't let 'rent to own' or 'buy like rent' lead to 'foreclosure'.

404. Evidentiary exhibit number 126 has an important bearing on the claimed subject matter. The article clearly states that, "'Co-ops' are apartments in buildings that have elected to become 'cooperatives.' Purchasers can buy the right to live in one of the apartments by purchasing shares of stock in the cooperative. It is difficult to obtain financing to purchase a unit in a cooperative. A substantial cash down payment is usually required.'Co-ops' also can refer to a division of real estate commission between the broker who lists a home for sale and another broker (the 'cooperating broker') who assists in the sale of the property. The better your credit, the better your chance of getting a loan to purchase a home. Your most sensible option may be to rent for several years until your credit improves.." (REALSTATE (BUSINESS), Pg. 5L, Mailbag) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally

either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary Exhibit Number 127

406. Evidentiary exhibit number 127 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Investor's Business Daily and bears a publication date of 11/13/1998. The title of the article is Before Becoming A Landlord, Weigh The Pros And Cons.

407. Evidentiary exhibit number 127 has an important bearing on the claimed subject matter. The article clearly states that, "First, you have to understand why you want to rent. If it is an emotional attachment to what may have been your childhood home, then decide to keep the house for a limited time, then reassess. That's what Haaxma did with his father-in-law's house. He and his wife have rented it out for five years since his father-in-law's death.." (Making Money In Mutuels; Pg. B1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the

internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

408. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 128

409. Evidentiary exhibit number 128 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 10/16/1998. The title of the article is Residential Real Estate;Ruling Broadens Protection for Renter in a Co-op.

410. Evidentiary exhibit number 128 has an important bearing on the claimed subject matter. The article clearly states that, "'While it will scare most sponsors so they won't rent," Mr. Samson said, "there is also a group of sponsors who converted buildings with no intention of selling all the units. They simply sold the minimum and are holding the rest for the sole purpose of avoiding rent regulation and renting them out at free-market rents.'" (Section B; Page 10; Column 1; Metropolitan Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though

customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

411. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary Exhibit Number 129

412. Evidentiary exhibit number 129 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the St. Petersburg Times (Florida) and bears a publication date of 9/6/1998. The title of the article is Home values hit downturn.

413. Evidentiary exhibit number 129 has an important bearing on the claimed subject matter. The article clearly states that, "As the housing prices stagnate, more and more renters are moving into established home-ownership neighborhoods. The market has left some sellers with little choice. After renting her home on Brechner Street for several years, Jackie Boone decided last year to sell the house. She put the house up for sale at \$ 79,900 at first. It sat. Then she dropped the asking price to \$ 69,900. It still sat, and continues to sit. Eventually, Boone decided to begin renting the house again to meet mortgage payments. She says she may continue renting the house rather than selling it. Like most rental properties, Boone expects renters to maintain the house and lawn.." (HERNANDO TIMES; Pg. 1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and

products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 130

415. Evidentiary exhibit number 130 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 8/9/1998. The title of the article is DON'T OUTCLASS YOUR NEIGHBORHOOD.

416. Evidentiary exhibit number 130 has an important bearing on the claimed subject matter. The article clearly states that, "A: Although some do-it-yourself home sellers are succeeding in today's strong home-sales market, most sellers need professional help. In today's litigious society, the old caveat emptor (buyer beware) rule has been replaced by "seller, beware of the buyer." Realty agents can help prevent future legal disputes by anticipating problems. Not only must sellers disclose home defects, but they need a marketing expert who understands how to find a qualified buyer, prepare a binding sales contract and then handle the 1,001 details to get the sale closed successfully.." (HOMES; Pg. J14) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers

by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

417. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 131

418. Evidentiary exhibit number 131 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Strategy (CMA) and bears a publication date of 8/1/1998. The title of the article is Building ownership isn't all it's cracked up to be.

419. Evidentiary exhibit number 131 has an important bearing on the claimed subject matter. The article clearly states that, "If you plan to sell your building, make plans well in advance, not at the last minute. Consider selling the building five to 10 years before you retire or plan to leave. This allows you to offer the purchaser five to 10 years of rent while you continue to occupy the space for your practice. Not only will this make the building far more marketable, it will also make your departure infinitely more easy. You won't get stuck owning your building for a prolonged period of time or, even worse, practically giving it away at a significant discount.."

(Ag'98 pg 15,19; ISSN: 0847-2181) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 132

421. Evidentiary exhibit number 132 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Denver Westword (Colorado) and bears a publication date of 6/25/1998. The title of the article is Best of Denver 1998;Goods and Services.

422. Evidentiary exhibit number 132 has an important bearing on the claimed subject matter. The article clearly states that, "The Golden Music Center, owned by longtime Denver performers Mike Roller and Mary Brainerd, is geared toward teaching, with five soundproof music studios and a staff of eighteen instructors, most of whom are working professional musicians and

recording artists. Classes are available for a wide range of instruments, from trumpet and violin to piano, drums and guitar. There's a nice assortment of instruments for sale and rental, and prices are competitive with mail-order and discount chains. The music center is tucked a little bit out of the way, but it's worth the effort if you're serious about music.." (Best Of) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 133

424. Evidentiary exhibit number 133 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Detroit Free Press and bears a publication date of 6/21/2009. The title of the article is SAVING STRATEGIES CHANGING YOUR

LIFESTYLE JUST A LITTLE CAN ADD UP / TO A DOWN PAYMENT FOR YOUR FIRST HOME.

425. Evidentiary exhibit number 133 has an important bearing on the claimed subject matter. The article clearly states that, "RENT TO OWN. Finding a rental you'd like to own and asking the owner if all or part of your rent can go toward a purchase is a painless way to save. It's also a way to get to know the neighborhood and property before you buy. Disadvantages: You may decide you don't like the neighborhood or the house and you'll lose the portion of your rent that went to the down payment. "With renting to own, you don't have much legal power at all. If the owner passed away, for example, you wouldn't own the house," says Regina Morgan, a real estate and lending consultant with Global Real Estate.." (REAL ESTATE; Pg. 1J) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 134

427. Evidentiary exhibit number 134 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 5/10/1998. The title of the article is Rent Controls to End at Low-Income Complex; Leesburg Village Rents to Rise.

428. Evidentiary exhibit number 134 has an important bearing on the claimed subject matter. The article clearly states that, "Leesburg Village's 156 apartments are home to a large number of elderly residents, as well as young families with children. After the sale and a large-scale renovation, rent is expected to be at full market value -- in the \$ 700 range for a two-bedroom apartment.." (LOUDOUN EXTRA; Pg. V01) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 135

430. Evidentiary exhibit number 135 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the San Jose Mercury News (California) and bears a publication date of 5/2/1998. The title of the article is COLLECTIVE SEEKS COOPERATIVE HOUSING.

431. Evidentiary exhibit number 135 has an important bearing on the claimed subject matter. The article clearly states that, "Not in your case. It appears that you permanently converted your rental to a personal residence on Oct. 31, 1996, because it has been more than a year since your property has been a rental. You can deduct a loss from the sale of a rental, but not on a personal residence. If your intent was to temporarily live in the home while you were attempting to sell it, you might have a case to deduct the net loss of approximately \$25,000. You should discuss your situation with a tax professional.." (REAL ESTATE; Pg. 2F) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 136

433. Evidentiary exhibit number 136 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Austin Business Journal and bears a publication date of 4/3/1998. The title of the article is Building investments A thriving economy and lack of available space has fueled a wave of building purchases in Austin.

434. Evidentiary exhibit number 136 has an important bearing on the claimed subject matter. The article clearly states that, "In the early 1990s, buildings sold for as little as 30 percent of production costs and ratcheting rents yielded great returns, Lumsden says. Investors face a narrower potential for value enhancement by 1999, as sales prices that are nearing the cost of new construction yield narrower margins of return by 1999.." (Vol 18; No 5; pg 23) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either

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435. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 137

436. Evidentiary exhibit number 137 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Vanderbilt Law Review and bears a publication date of 4/1/1998. The title of the article is Coping with "loss": A re-examination of sentencing federal economic crimes under the guidelines.

437. Evidentiary exhibit number 137 has an important bearing on the claimed subject matter. The article clearly states that, “.” (Vol. 51, No. 3 Pg. 461-579; ISSN: 0042-2533; CODEN: AMSLB6) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 138

439. Evidentiary exhibit number 138 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Tax Adviser and bears a publication date of 2/1/1998. The title of the article is Selling a principal residence after the TRA '97; Taxpayer Relief Act of 1997.

440. Evidentiary exhibit number 138 has an important bearing on the claimed subject matter. The article clearly states that, "Many taxpayers will benefit greatly from these changes; the tax consequences on the sale of a principal residence will be eliminated for nearly 99% of all Americans selling their homes.(1) Thus, taxpayers who move to a less expensive home, relocate to a less costly area or decide to rent may no longer be required to recognize gain on the sale of their personal residences. Other taxpayers will find little or no tax benefit under the TRA '97 on the sale of their principal residences (e.g., homeowners experiencing a loss on sale). Homeowners with gains in excess of the exclusion amounts, and those using their principal residence in part as a rental or business property, will no longer find favorable deferral provisions in the Code. However, the TRA '97 does create a category of transition taxpayers who can choose between applying (1) pre-TRA '97 Sec. 1034 or 121 and (2) post-TRA '97 Sec. 121.." (No. 2, Vol. 29; Pg. 116; ISSN: 0039-9957) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent

real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

441. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 139

442. Evidentiary exhibit number 139 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Journal of the American Planning Association and bears a publication date of 1/1/1998. The title of the article is Incentive property taxation: a potential tool for urban growth management..

443. Evidentiary exhibit number 139 has an important bearing on the claimed subject matter. The article clearly states that, "The two-rate tax would discourage land speculation, that is, the holding of unimproved or under-improved property for the purpose of reselling profitably without any substantial capital investment. A differential tax rate that was high compared to land price inflation could diminish the accumulating windfall for the holdout owner. That is, if the tax would capture a large portion of the land's economic rent, the owner would in all likelihood capitalize the depletion into a lower resale price.." (No. 1, Vol. 65; Pg. 62; ISSN: 0194-4363) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings,

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444. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 140

445. Evidentiary exhibit number 140 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Real Estate Economics and bears a publication date of 12/22/1997. The title of the article is Tender mercies: efficient and equitable use of land use change..

446. Evidentiary exhibit number 140 has an important bearing on the claimed subject matter. The article clearly states that, "Governmental zoning is a policy that has unintended side effects. In fact, some might argue that all of zoning's effects are unintended. The current system seems arbitrary to many, in that it is neither efficient nor fair. This system bestows economic rents on some who petition for zoning changes while, at the same time, it injures neighboring owners by imposing new sources of negative externalities. Net benefits to the community, if any, appear to be dissipated by rent-seeking activity, which includes hiring the army of lawyers, architects, land use planners, traffic experts and public relations specialists who aid both successful and

unsuccessful rent-seeking petitioners. The unfortunate distributional effects of these changes generate expensive NIMBY responses. Similarly, down-zoning, in which some previously-allowed uses are made illegal, takes property rights from some owners in order to bestow positive externalities on others. Again, the benefited petitioners spend their time and hire experts to develop appeals to the government - which is to say, to planning commissions and their city council masters. It is obvious to economists who observe this unproductive scene that what is needed is a market for partial property rights. (Serendipitously, such a market also might provide the means for eliminating full takings under eminent domain.)” (No. 4, Vol. 25; Pg. 525; ISSN: 1080-8620) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

447. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 141

448. Evidentiary exhibit number 141 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 12/6/1997. The title of the article is COMMON PROBLEM;ONE OWNER WANTS TO SELL THEIR HOUSE, THE OTHER OWNER DOESN'T.

449. Evidentiary exhibit number 141 has an important bearing on the claimed subject matter. The article clearly states that, "A--The one technique I've never seen fail, when properly used, is to advertise it for sale on a lease with option to purchase. For example, you might headline your classified ad: "\$5,000 moves you in; rent to own." Then describe the condo's features and the monthly rent; give the Sunday open house hours, the address and your phone. Be sure the lease-option gives a generous rent credit, at least 33 percent, toward the purchase price. The higher the rent credit, the greater the probability the tenant will buy the condo during the one-or two-year option period.." (NEW HOMES; Pg. 12; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 142

451. Evidentiary exhibit number 142 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 11/21/1997. The title of the article is PROFIT SHELTER;JOINT TENANTS CAN SAVE UNDER 1997 TAX ACT.

452. Evidentiary exhibit number 142 has an important bearing on the claimed subject matter. The article clearly states that, "A--New Internal Revenue Code 121, which contains the new \$250,000/\$500,000 home sale tax exemption, does not prohibit sharing a principal residence with a renter. After living there at least 24 months, you would appear to qualify for the \$250,000 sales exemption. Please consult your tax adviser for details.." (YOUR PLACE; Pg. 16; ZONE: C; Resale Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market

generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

453. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 143

454. Evidentiary exhibit number 143 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 10/11/1997. The title of the article is RENTAL GUIDE;HOW TO DETERMINE HOW MUCH HOUSE INCOME SHOULD BE.

455. Evidentiary exhibit number 143 has an important bearing on the claimed subject matter. The article clearly states that, "By hiring a Realtor to rent your residence, you should expect top quality professional service. This will include showing your home to qualified prospects, receiving an application and credit report on the prospect, and obtaining the first and last month's rent, plus a security deposit. For this service, expect to pay the rental agent a fee of approximately 5 percent of the annual rent. Of course, this fee is negotiable.." (NEW HOMES; Pg. 28; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though

customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 144

457. Evidentiary exhibit number 144 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 10/4/1997. The title of the article is NO RELIEF;OFFICE-AT-HOME TAX DEDUCTIONS NOT EASED UNTIL 1999.

458. Evidentiary exhibit number 144 has an important bearing on the claimed subject matter. The article clearly states that, "A--Of course, I can't recommend the desirability of that particular new home. But lease-options are an excellent way to buy a new or resale home after renting it for a year or two to build up a rent credit.You are to be commended for your excellent down payment savings program. However, there are so many low- and nothing-down mortgage programs now available it doesn't make sense to keep saving while home prices rise. Whether you lease-option or buy with a no- or low-down payment mortgage, I recommend you stop wasting money on rent.." (NEW HOMES; Pg. 20; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in

which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

459. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 145

460. Evidentiary exhibit number 145 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 9/28/1997. The title of the article is WORTH A TRY: ASK 1ST BUYER FOR RELEASE FROM DEAL.

461. Evidentiary exhibit number 145 has an important bearing on the claimed subject matter. The article clearly states that, "Those property management fees for renting and managing a single-family house seem quite reasonable if the agent gets your house rented quickly. Losing one or two months' rent will be far more expensive.." (HOMES; Pg. J15) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in

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Evidentiary exhibit number 146

463. Evidentiary exhibit number 146 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Post and Courier (Charleston, SC) and bears a publication date of 9/14/1997. The title of the article is Intended clarification muddies property tax law.

464. Evidentiary exhibit number 146 has an important bearing on the claimed subject matter. The article clearly states that, “The opposite could happen as well. Someone renting a house could sell it to someone who will live in it. In this case, the seller would benefit by paying the 4-percent rate instead of the 6-percent rate..” (B, Pg. 1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers

and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

465. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 147

466. Evidentiary exhibit number 147 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 9/7/1997. The title of the article is LOW PURCHASE OFFER IS PROPER FOR HOME NEAR NOISY SCHOOL.

467. Evidentiary exhibit number 147 has an important bearing on the claimed subject matter. The article clearly states that, "As a buyer, I've lease-optioned houses where I paid all maintenance, insurance, property taxes and even the mortgage payment. This is called a net, net, net (or triple net) lease, where the landlord receives a net rent each month. If you expect your tenants to fix up the house during their lease, so they can exercise their purchase option and obtain a mortgage, be sure to specify in the lease-option what minimum work they are to perform. Also, get a substantial upfront, nonrefundable option consideration just in case they don't perform. When they buy the house, the option money and the rent credit apply toward the purchase price. If they don't buy, you get to keep the option money and the rent credit is forfeited.." (HOMES; Pg. J17) This quote clearly shows that products in the real estate sales

market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

468. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 148

469. Evidentiary exhibit number 148 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Washingtonian and bears a publication date of 9/1/1997. The title of the article is Blockhead Buys a House.

470. Evidentiary exhibit number 148 has an important bearing on the claimed subject matter. The article clearly states that, "The newlyweds, wanting nothing to do with basement living, rent a two-bedroom apartment from which both can easily commute to work. It's on the second floor of a building at the intersection of East-West Highway and 16th Street in Silver Spring. They rent rather than buy because Mrs. Blockhead has recently relocated from New England and isn't fond

enough of Washington to commit to a purchase..” (CAPITAL GAINS; Pg. 53) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

471. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 149

472. Evidentiary exhibit number 149 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 8/17/1997. The title of the article is CHECK WITH FANNIE MAE FOR SPECIAL HOME LOAN PROGRAM.

473. Evidentiary exhibit number 149 has an important bearing on the claimed subject matter. The article clearly states that, “ANSWER: You are the type of home buyer Fannie Mae and other major mortgage lenders want for their special home loan programs. I am surprised your realty

agent couldn't arrange a mortgage using alternative verifications, such as rent receipts and utility payments. To get in touch with a local Fannie Mae mortgage lender, call 1-800-732-6643. One way or another, you can finance that home purchase.." (HOMES; Pg. J5) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

474. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 150

475. Evidentiary exhibit number 150 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Crain's Chicago Business and bears a publication date of 8/11/1997. The title of the article is NEW CONSTRUCTION IN DOWNTOWN MARKET? WACKER TOWERS' PRICE COULD TRIGGER NEW DEVELOPMENT ROUND.

476. Evidentiary exhibit number 150 has an important bearing on the claimed subject matter. The article clearly states that, “Buildings whose tenants have shorter leases will fetch higher prices because the new owners will be able to take quicker advantage of increasing rents. A good time to sell Even so, recent sales show that the market is gaining momentum:.” (News; Pg. 3) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

477. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 151

478. Evidentiary exhibit number 151 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 6/20/1997. The title of the article is TAKING IN TENANTS; CAN'T SELL YOUR HOUSE? DON'T WANT TO? TRY THE RENTAL OPTION.

479. Evidentiary exhibit number 151 has an important bearing on the claimed subject matter. The article clearly states that, "In fact, homeowners who are forced into renting because they can't sell may want to consider other options. "A home usually doesn't sell because of a problem with its location, condition, or price," notes Mary Ann Sullivan, an agent with John Greene Realty in Naperville. "If you really want to sell, you have to assess honestly why the home hasn't moved. In many cases, you're better off taking a lower price and selling rather than trying to rent to cover the extra expenses of two mortgages and a bridge loan.." (YOUR PLACE; Pg. 31; ZONE: D; Renting. Where to look. How to bargain.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

480. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 152

481. Evidentiary exhibit number 152 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 5/31/1997. The title of the article is OFFER SHOPPING;BUYERS SHOULD PUT A TIME LIMIT ON A PURCHASE BID.

482. Evidentiary exhibit number 152 has an important bearing on the claimed subject matter. The article clearly states that, "A--A one-year lease protects you from any rent raises during that year. But it also obligates you to stay for at least 12 months. If you should decide to move out, breaking the lease could be expensive. With a month-to-month rental agreement, the landlord could raise the rent or ask you to move out (in the absence of any local rent control or other rental ordinances). Chances of a landlord raising the rent in less than one year are slim, however, except in cities with a shortage of rentals. There is no right or wrong answer to your question. But unless you are 100 percent certain you will like the apartment and want to stay at least 12 months, your best bet may be the month-to-month rental. It gives you the freedom to move out if you don't like the apartment or decide to buy a home.." (NEW HOMES; Pg. 32; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally

either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

483. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 153

484. Evidentiary exhibit number 153 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 5/3/1997. The title of the article is KEEPING YOUR PROFITS;HOME SELLERS HAVE THREE BASIC WAYS TO AVOID TAXES.

485. Evidentiary exhibit number 153 has an important bearing on the claimed subject matter. The article clearly states that, "Many larger residential real estate sales offices have rental departments, which will find you a reliable tenant and collect the monthly rent. If you wish, they can pay the mortgage from the rent collected. However, you'll be better off paying the mortgage yourself, so you're sure it gets paid on time.." (NEW HOMES; Pg. 36; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet).

This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

486. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 154

487. Evidentiary exhibit number 154 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 4/27/1997. The title of the article is NO DOWN PAYMENT? LOAN BROKER CAN HELP YOU FIND A WAY TO BUY.

488. Evidentiary exhibit number 154 has an important bearing on the claimed subject matter. The article clearly states that, "ANSWER: Yes, buying homes for little or no cash down payment is done every day by thousands of home buyers. If you qualify for a Department of Veterans Affairs home loan, no down payment is required. Federal Housing Administration home loans require about 5 percent down payments. Private mortgage insurance home loans require 5 percent to 10 percent cash down payments. Fannie Mae is experimenting with a nothing-down program for 97 percent of the home's sale price. The remaining 3 percent can either be borrowed or received as a gift. If you buy a foreclosure or real-estate-owned home from a foreclosing lender, you'll often find excellent low or no-down-payment programs. Another way to buy for little or no cash is to assume an existing mortgage, and get the home seller to carry back a second mortgage for all or most of the balance of the sales price. If there is no existing mortgage, ask the seller to carry back the entire mortgage.

489. ." (HOMES; Pg. J6) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars

are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

490. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 155

491. Evidentiary exhibit number 155 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the South Bend Tribune (Indiana) and bears a publication date of 4/26/1997. The title of the article is TIMES WHEN LEASE-OPTION HOME A PLUS * REAL ESTATE NOTEBOOK.

492. Evidentiary exhibit number 155 has an important bearing on the claimed subject matter. The article clearly states that, "Rent credit builds a down payment. The higher the rent credit percentage, the greater the probability the tenant will exercise the purchase option. A low 10 percent rent credit is not much of an incentive to buy. But highly motivated home sellers offer 50 or even 100 percent rent credits to practically assure a sale.." (HOME, Pg. C6) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different

customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

493. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 156

494. Evidentiary exhibit number 156 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Star Tribune (Minneapolis, MN) and bears a publication date of 2/8/1997. The title of the article is Snowbird lifestyle requires know-how; Decisions range from critical (rent vs. buy) to mundane (do I need to bring a coat?).

495. Evidentiary exhibit number 156 has an important bearing on the claimed subject matter. The article clearly states that, "Dorothy Moore, general manager and leasing/resale consultant for Racquet Club Realty (not associated with the homeowners association), said that the 40-acre, 395-unit complex allows owners to rent their units for a minimum of one month. The company will handle all rental reservations, maintenance and cleaning. Rents for the units, which range from 629 to 2,141 finished square feet, start at about \$ 800 per month during the summer months. Rents are determined by time of year and length of stay.." (Home; Pg. 4H) This quote

clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

496. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 157

497. Evidentiary exhibit number 157 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 2/8/1997. The title of the article is TIE-BREAKER;A THIRD OPINION CAN HELP SELLER DETERMINE MARKET VALUE OF UNUSED LAND.

498. Evidentiary exhibit number 157 has an important bearing on the claimed subject matter. The article clearly states that, "The key component of a lease-option is the buyer's rent credit toward the purchase price. I usually give 33 percent, but once when I was extremely motivated to sell, I gave a 100 percent rent credit. That house needed lots of fix-up work for which I didn't

have the funds. During that year's lease-option period, my tenant (a college professor) fixed up the house so he could get a mortgage when he exercised his purchase option.." (NEW HOMES; Pg. 32; ZONE: W; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

499. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 158

500. Evidentiary exhibit number 158 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 2/1/1997. The title of the article is REAL ESTATE MAILBAG.

501. Evidentiary exhibit number 158 has an important bearing on the claimed subject matter. The article clearly states that, "DEAR NORM: Yes. However, the "over 55 rule" of Internal

Revenue Code 121 only applies to your profit from the sale of your owner's apartment. It does not apply to the profit on the sale of the rental portion of the building. You'll need to allocate the sales price between the value of your apartment and the value of the remainder of the building. Then your profit will be apportioned between the residence and rental portions.." (REAL ESTATE; Pg. F08; REAL ESTATE MAILBAG) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

502. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 159

503. Evidentiary exhibit number 159 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Sunday Times and bears a publication date of 12/22/1996. The title of the article is On the point of recovery.

504. Evidentiary exhibit number 159 has an important bearing on the claimed subject matter. The article clearly states that, “Looking beyond current price fluctuations for a broader picture of the housing market, it is not the number of house sales that is significant but the increasing size of the private rented sector. Before the second world war, the majority of the population rented their housing from private landlords. Although this was the predominant pattern in working-class housing, it was also regarded as normal for professionals to rent houses rather than buy..”

(Features) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota— both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

505. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 160

506. Evidentiary exhibit number 160 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Los Angeles Times and bears a publication

date of 10/20/1996. The title of the article is YOUR MORTGAGE; REFINANCING CAN EXCEED HOME'S PURCHASE PRICE.

507. Evidentiary exhibit number 160 has an important bearing on the claimed subject matter. The article clearly states that, "My suggestion is to lease a home with an option to buy. By coincidence, in August I sold two houses to two of my tenants who had been renting houses from me on lease-options at \$ 1,500 per month rent with \$ 500 monthly rent credits. One buyer told me she viewed her \$ 1,500 monthly payment as \$ 1,000 per month rent and \$ 500 per month into a "forced down payment savings account." I viewed the \$ 1,500 as rent income! Thanks to the rent credit, all she and her husband had to pay was about \$ 2,000 of cash closing costs to buy the home. Lease-options are the most overlooked home-buying method. Fannie Mae, or some other creative lender, should use lease-options to stimulate home ownership. Lease-option details, including how to find and create them, are in my new special report "How to Quickly Buy or Sell Your Home With a Lease- Option" available for \$ 4 from Robert J. Bruss, 251 Park Road, Burlingame, CA 94010.." (Real Estate; Part K; Page 4; Real Estate Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or

rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

508. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 161

509. Evidentiary exhibit number 161 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Press Enterprise (Riverside, CA) and bears a publication date of 10/7/1996. The title of the article is House rental companies benefit from recession; Those who can't sell try renting.

510. Evidentiary exhibit number 161 has an important bearing on the claimed subject matter. The article clearly states that, "Many homeowners who can't sell their homes but need to move are renting their houses through property management specialists -companies that generally don't sell property and which in the past were employed primarily by people who had invested in rental dwellings. ." (BUSINESS; Pg. C11) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies

that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

511. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 162

512. Evidentiary exhibit number 162 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the THE PRESS-ENTERPRISE and bears a publication date of 10/5/1996. The title of the article is CALIFORNIA HOUSE RENTAL COMPANIES BENEFIT FROM RECESSION.

513. Evidentiary exhibit number 162 has an important bearing on the claimed subject matter. The article clearly states that, "Many homeowners who can't sell their homes but need to move are renting their houses through property management specialists -- companies that generally don't sell property and which in the past were employed primarily by people who had invested in rental dwellings.." (No Page Number Provided) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail

shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

514. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 163

515. Evidentiary exhibit number 163 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Medical Economics and bears a publication date of 9/23/1996. The title of the article is Money management.

516. Evidentiary exhibit number 163 has an important bearing on the claimed subject matter. The article clearly states that, "As a co-op owner, you're a stockholder in the corporation that owns the building. You don't own your apartment, but you have the right to lease it. Your monthly maintenance payment also covers your share of the cooperative's mortgage obligation. In a condominium, you own real estate-not stock. This makes it easier, and often less expensive, to get financing. That's one reason condos tend to appreciate faster than co-ops. Another reason: In some co-ops, you must sell to the corporation or give it a percentage of your profit. In any case, the board of directors has the right to approve your buyer. Such restrictions rarely apply to condo sales.." (Vol. 73, No. 18 Pg. 211-214; ISSN: 0025-7206; CODEN: LEECDA) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically,

landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 164

518. Evidentiary exhibit number 164 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Phoenix New Times (Arizona) and bears a publication date of 9/19/1996. The title of the article is Best of Phoenix 1996;Shops: Goods and Services.

519. Evidentiary exhibit number 164 has an important bearing on the claimed subject matter. The article clearly states that, "Here we found more than 10,000 literary audio titles for sale or rent, including classics, current best sellers, biographies, fiction, nonfiction, self-help and a dozen more categories. Just before our last drive to Flagstaff, we rented both Restoration, exquisitely read by Derek Jacobi, and Maynard, Gilligan and Me, stirringly read by the author, Bob Denver himself. The average cost is \$3.99 for each three-day rental, plus a one-time \$10 membership fee.." (Best Of) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the

car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

520. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 165

521. Evidentiary exhibit number 165 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Portland Press Herald (Maine) and bears a publication date of 9/13/1996. The title of the article is FOR MANY PEOPLE, RENTING HOME IS WISEST;MONTHLY PAYMENTS ARE LIKELY TO BE LOWER AND YOU DON'T HAVE THE RISKS THAT GO;WITH OWNING PROPERTY.

522. Evidentiary exhibit number 165 has an important bearing on the claimed subject matter. The article clearly states that, "Fishman says that many rental properties never make it to the classifieds. Tell everyone you know - friends, co-workers, your softball team - that you are looking for a place. Chances are, someone will know someone who wants to rent." (REAL ESTATE, Pg. 2F) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use

different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

523. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 166

524. Evidentiary exhibit number 166 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Boating Industry and bears a publication date of 9/1/1996. The title of the article is Nine dealer profiles; boat dealers.

525. Evidentiary exhibit number 166 has an important bearing on the claimed subject matter. The article clearly states that, "In addition to boat sales, Preferred carries a selected line of skis, wakeboards, clothing and accessories. "We are staying small with limited quantities," Rapp points out. "I'm not worried about being the big glorified number one of the world. I just want to be very product-knowledgeable and very customer-service oriented." Rapp offers all new-boat buyers a 15 percent discount on any ski accessories they purchase, as he puts it, "for the lifetime of our relationship." Preferred also rents personal watercraft during the summer and snowmobiles in winter.." (Vol. 59 ; No. 9 ; Pg. 105; ISSN: 0006-5404) This quote clearly shows

that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

526. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 167

527. Evidentiary exhibit number 167 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Toronto Star and bears a publication date of 6/16/1996. The title of the article is Downtown kinder to buyers than renters Condos priced to please but rentals are pinched.

528. Evidentiary exhibit number 167 has an important bearing on the claimed subject matter. The article clearly states that, ""It's virtually as easy to become an owner as to become a tenant," agrees realtor Hunter Milborne, a player in downtown condo sales. He says anyone with a \$5,000 down payment for a condo can probably end up paying less per month on a mortgage than they

would on rent for a similar unit. A number of units are available at all price ranges throughout the downtown core, he added..” (LIFESTYLES; Pg. LL1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 168

530. Evidentiary exhibit number 168 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 5/31/1996. The title of the article is CABIN FEVER;IS YOUR POCKETBOOK READY FOR A VACATIN HOME?.

531. Evidentiary exhibit number 168 has an important bearing on the claimed subject matter. The article clearly states that, “Some buyers may plan on renting out their home, figuring that

rental income will help them pay the bills on their property. If you're carrying a substantial mortgage on the home, however, you may find that rent will hardly help you carry the load. "Prices on homes here are almost too high to allow you to expect rent to pay the mortgage and taxes," notes Lynda Holmes, broker-owner of Century 21-Frank Smith Realty, Saugatuck, Mich. What's more, if you do decide to rent your property, you must be prepared to keep meticulous records for the IRS.." (YOUR PLACE; Pg. 3; ZONE: C; Homes. Where to look. What to buy. How to borrow.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 169

533. Evidentiary exhibit number 169 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Ethnic NewsWatch and bears a publication date of 4/30/1996. The title of the article is BUILDING WEALTH.

534. Evidentiary exhibit number 169 has an important bearing on the claimed subject matter. The article clearly states that, "Now let's suppose that ten years later you want to send your child to college, retire, or buy a business. Can you ask your landlord for a loan or to return some of your rental payments? No. However, if you owned your home, you could use a portion of the equity to finance your endeavor. If you decide to sell your home, you can make money (capital gains, which are profits taken by selling capital assets for more than they cost) but once you leave a rental

535. unit, you take nothing but your belongings." (Vol. 7; No. 6; Pg. 47) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

536. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 170

537. Evidentiary exhibit number 170 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 3/10/1996. The title of the article is A HUGE LEASE ON LIFE;SUPER LUXURY RENTALS SHOW TRANSIENT RESIDENTS DON'T JUST LIVE MONTH-TO-MONTH.

538. Evidentiary exhibit number 170 has an important bearing on the claimed subject matter. The article clearly states that, "Renting is housing on the cheap. At least, that's the impression. But tucked into the Sunday newspaper ads, between the suburban ranches and high-rise co-ops for sale, are a handful of upscale apartments and single-family homes for rent that elevate leasing to a whole new level.." (REAL ESTATE; Pg. 1; ZONE: C) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but

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Evidentiary exhibit number 171

540. Evidentiary exhibit number 171 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the St. Louis Post-Dispatch (Missouri) and bears a publication date of 3/10/1996. The title of the article is THE HOUSE THAT DICK BUILT.

541. Evidentiary exhibit number 171 has an important bearing on the claimed subject matter. The article clearly states that, "In 1984, he paid \$ 115,000 for a vacation house he owned in the resort village of Duck, which he rented out for several years. He didn't rent the house in 1991, but sold it in March of that year for \$ 183,000. He put his profit into the purchase of an oceanfront lot in the Corolla Light subdivision several miles up the beach. He paid \$ 375,000 for the lot. The sale was financed initially by the developer, Outer Banks Ventures.." (WAR PAGE; Pg. 1B) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront

versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 172

543. Evidentiary exhibit number 172 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Miami Herald and bears a publication date of 2/11/1996. The title of the article is RENT OR SELL CONDO WHEN YOU LEAVE STATE?.

544. Evidentiary exhibit number 172 has an important bearing on the claimed subject matter. The article clearly states that, "Do the figures you gave reflect costs? You could have closing and sale costs deducted from the \$20,000 and rising maintenance costs deducted from the \$150 monthly rental income.." (HOME & DESIGN; Pg. 27H) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers

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Evidentiary exhibit number 173

546. Evidentiary exhibit number 173 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 11/19/1995. The title of the article is In Co-ops, Renting Is a Growing Concern.

547. Evidentiary exhibit number 173 has an important bearing on the claimed subject matter. The article clearly states that, "Subleasing -- the technical term for renting a co-op unit, because the owners are the actual tenants -- isn't always a panacea for apartment owners who can't sell their units and must move or sell. Some co-op boards have refused to allow sublets. Others have tacked on fees. And even with the strong rental market, sometimes the rent doesn't cover the apartment owner's combined maintenance and share loan payment. Moreover, many co-op and condo owners are unaccustomed to acting as landlord, especially when it comes to dealing with tenants.." (Section 9; Page 1; Column 2; Real Estate Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods

to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 174

549. Evidentiary exhibit number 174 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 10/14/1995. The title of the article is REAL ESTATE MAILBAG.

550. Evidentiary exhibit number 174 has an important bearing on the claimed subject matter. The article clearly states that, "To find a home that can be leased with an option to buy, look in two places. With the help of a realty agent, look at homes listed for sale. The best lease-option candidates are usually vacant houses that have been listed for sale several months with anxious owners. The second lease-option source is the "houses for rent" newspaper classified ads. When you inspect a house you would like to own, ask the owner if he or she would like to lease the house with an option for you to buy it. Offer a nonrefundable consideration for the option that is at least double a normal security deposit and offer an above-market monthly rent. Most landlords find it hard to resist such an attractive lease-option offer.." (REAL ESTATE; Pg. F06) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target

different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 175

552. Evidentiary exhibit number 175 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Newsday (New York) and bears a publication date of 9/22/1995. The title of the article is The explosive growth in specialists who manage one-family rental properties hasn't reached Long Island, but brokers are filling the gap..

553. Evidentiary exhibit number 175 has an important bearing on the claimed subject matter. The article clearly states that, "In the last decade, as many as 10,000 people have started doing business as single-unit managers nationwide, said Kittredge Garren, president of the National Association of Residential Property Managers. The 10-year-old trade group, with more than 700 members, has seen its membership increase 50 percent annually in the last few years. Single-unit management blossomed during the recession, when people who couldn't sell their homes or condos were forced to rent them out.." (REAL ESTATE; SINGLE OUT; Pg. D01) This quote

clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 176

555. Evidentiary exhibit number 176 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Providence Journal-Bulletin (Rhode Island) and bears a publication date of 9/17/1995. The title of the article is Multifamily home sales rise; owners hold onto properties.

556. Evidentiary exhibit number 176 has an important bearing on the claimed subject matter. The article clearly states that, "Investors, on the other hand, are described as waiting for distressed properties to sell at the absolute bottom-dollar - often when a bank decides to take whatever it can get - and then making them habitable for re-sale. In Providence, at least,

investors are said to be unwilling to be absentee landlords, chasing tenants for rent and vulnerable to vandalism. Giordano, however, said that in Woonsocket some investors are attracted by prices and interest rates low enough that they can get good cash flow as landlords.." (REAL ESTATE, Pg. 1G) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 177

558. Evidentiary exhibit number 177 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Virginian-Pilot (Norfolk) and bears a publication date of 9/2/1995. The title of the article is COVER STORY: A RUN ON RENTAL HOUSING.

559. Evidentiary exhibit number 177 has an important bearing on the claimed subject matter. The article clearly states that, "For 1995, the sales market for GSH has been down, but the rental business is booming," Scott says. "With interest rates fluctuating, there are a lot of people who just can't afford houses, whether it's due to poor or insufficient credit, or lack of funds to come up with the down payment." (REAL ESTATE WEEKLY, Pg. 8) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

560. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 178

561. Evidentiary exhibit number 178 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a

publication date of 8/26/1995. The title of the article is Homeowners Can Regain Once-in-a-Lifetime Exclusion.

562. Evidentiary exhibit number 178 has an important bearing on the claimed subject matter. The article clearly states that, “Unfortunately, there is one potential hitch. If you now reside in a principal residence that has appreciated considerably in value, you either will have to rent it out or sell it and not take the once-in-a-lifetime exclusion.” (REAL ESTATE; Pg. E12; HOUSING COUNSEL) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota— both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

563. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 179

564. Evidentiary exhibit number 179 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Kiplinger's Personal Finance Magazine and bears a publication date of 4/1/1995. The title of the article is Down by the Seashore

565. Evidentiary exhibit number 179 has an important bearing on the claimed subject matter. The article clearly states that, "Now it's 1995, and you've been Joseph and Mary Ann Adzgerly spent \$ 300,000 on a custom built home on mortgage in a vacation-home fund. Or you bailed out of the stock market and are sitting on a pile of cash. With all those For Sale signs, resort developments must be a bargain-hunter's paradise, right? Surely the income and tax breaks of a second-home rental would pay handsomely.." (REAL ESTATE; Pg. 59) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

566. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 180

567. Evidentiary exhibit number 180 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 4/1/1995. The title of the article is IGNORE AGE;SELLER FINANCING IS A SMART MOVE FOR ANYONE.

568. Evidentiary exhibit number 180 has an important bearing on the claimed subject matter. The article clearly states that, “P.S.: After you get your sales license, if you need immediate income start in the rental department of a busy brokerage renting homes and apartments. If you do a good job for your rental clients, when they are ready to buy a home they will call you to sell them a residence. Meanwhile, rental commissions will start rolling in as soon as you rent your first house or apartment..” (HOME GUIDE; Pg. 15; ZONE: CN; Realty Q&A.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

569. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 181

570. Evidentiary exhibit number 181 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Boston Globe and bears a publication date of 2/19/1995. The title of the article is Multi-family comeback;First-time buyers often start looking foe single-family homes.. until they see the numbers.

571. Evidentiary exhibit number 181 has an important bearing on the claimed subject matter. The article clearly states that, "Now, take a two-family house for sale at \$ 195,000. With a 10 percent down payment, that leaves a \$ 175,500 mortgage. Let's say taxes are \$ 2,000 a year and rental income \$ 800 a month. The total monthly payment is \$ 907 - a \$ 490 difference in monthly payments.." (ECONOMY; Pg. A1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and

depending on what customer base they are targeting use different methods to sell or rent their real estate products.

572. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 182

573. Evidentiary exhibit number 182 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Kansas City Star (Kansas & Missouri) and bears a publication date of 1/24/1995. The title of the article is Living trust the best way to see a minor gets full inheritance; Joint-tenant title with teen-ager would impede title transfer..

574. Evidentiary exhibit number 182 has an important bearing on the claimed subject matter. The article clearly states that, "I am considering buying a small income property, perhaps four to six units, where I will live in one apartment and rent the others to tenants. Is there any guideline as to what percentage of gross rental income the mortgage payment should be?." (TUESDAY BUSINESS; Pg. D38) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market

generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

575. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 183

576. Evidentiary exhibit number 183 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Roanoke Times (Virginia) and bears a publication date of 10/31/1994. The title of the article is SELL OR RENT YOUR HOUSE? IT'S ALL A MATTER OF TAXES.

577. Evidentiary exhibit number 183 has an important bearing on the claimed subject matter. The article clearly states that, "On the other hand, if the homeowner relocated and rented out the former residence without ever trying to sell it, the former residence would most likely be treated as a rental property for tax purposes. Converting a former residence into a rental property may offer greater financial rewards for many individuals, however. It gives owners the opportunity to generate steady rental income. Although owners cannot defer the gain on the sale of rental property, landlords are entitled to a wide range of tax deductions that can sharply reduce their tax bill." (BUSINESS, Pg. A6) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space

versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

578. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 184

579. Evidentiary exhibit number 184 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Jerusalem Post and bears a publication date of 9/30/1994. The title of the article is A HOUSE DIVIDED.

580. Evidentiary exhibit number 184 has an important bearing on the claimed subject matter. The article clearly states that, "Rent-controlled apartments became so popular that tenants who wanted to move began to take a fee from those who wanted to take their place. Ultimately, the landlords got in on the act, and by the 1950s, the whole system was codified by law. The law provides that when a tenant sells his or her "key," the landlord gets one-third of the sum, and the tenant keeps two-thirds.." (FEATURES; Pg. 12) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial

incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

581. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 185

582. Evidentiary exhibit number 185 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Los Angeles Times and bears a publication date of 4/15/1994. The title of the article is A THORNY PROBLEM;STUNG BY RISING RENT, RESIDENTS SEEK TO BUY MOBILE PARKS.

583. Evidentiary exhibit number 185 has an important bearing on the claimed subject matter. The article clearly states that, "Gene Pica, an owner of Sierra Mobile Home Estates, said the Huntington Beach property is profitable and "our rents are right where they should be. We're just a mile and a half from the ocean.""If we do sell, we'll give them first choice," Pica said of the park's residents, who have formed a nonprofit group called Sierra Residents Corp. State law, in fact, requires park owners to notify residents before putting the property up for sale.." (Business; Part D; Page 1; Column 2; Financial Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and

products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

584. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 186

585. Evidentiary exhibit number 186 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Los Angeles Times and bears a publication date of 4/3/1994. The title of the article is WHEELS TURNING AT MOBILE HOME PARKS IN O.C..

586. Evidentiary exhibit number 186 has an important bearing on the claimed subject matter. The article clearly states that, “* Typical space rental fee: \$375 to \$500 a month * Average price for a new mobile home: \$50,000 * Average resale price: Varies widely according to condition and location. Recent sales ranged from \$8,500 to \$89,900, with an average of \$37,700..” (Part A; Page 1; Column 5; Metro Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans,

cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 187

588. Evidentiary exhibit number 187 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 11/26/1993. The title of the article is THE NEW MATH;IS BUYING ALWAYS BETTER THAN RENTIG?.

589. Evidentiary exhibit number 187 has an important bearing on the claimed subject matter. The article clearly states that, "In this market, condos are often renters' first stop on the homeownership trail. Yet selling a condo may be more difficult than selling detached housing, especially if the condo is in a large building.." (YOUR PLACE; Pg. 19; ZONE: D; Apartments. Where to look. What to rent. How to bargain.) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would

buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

590. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 188

591. Evidentiary exhibit number 188 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Real Estate Today and bears a publication date of 10/1/1993. The title of the article is When divorce is the goal equity sharing may have a role; real estate equity sharing; includes related information.

592. Evidentiary exhibit number 188 has an important bearing on the claimed subject matter. The article clearly states that, "With equity sharing one or more of the owners can reside in the property, but those who live there must pay rent to the other owners or the transaction can't be classified as equity sharing. Instead, the IRS will classify it as an equity participation mortgage, a type of pwner financing in which the owners don't get the tax benefits of equity sharing. The rules call for the occupant to pay fair market rent. But, typically, the IRS will let investors discount the rent 5-10 percent because the occupant is considered a long-term tenant.." (Vol. 26 ; No. 9 ; Pg. 36; ISSN: 0034-0804) This quote clearly shows that products in the real estate sales

market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 189

594. Evidentiary exhibit number 189 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 6/16/1993. The title of the article is Pollin Considers Selling Capitals;Leases at Centre Extended, Rents Lowered.

595. Evidentiary exhibit number 189 has an important bearing on the claimed subject matter. The article clearly states that, "According to sources, the Capitals' rent was lowered significantly and both teams pay minimal rent to the Centre. Pollin owns two thirds of the arena and Arnold Heft, an area developer, owns the other third.." (SPORTS; PAGE D1) This quote clearly shows

that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

596. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 190

597. Evidentiary exhibit number 190 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The San Francisco Chronicle and bears a publication date of 5/19/1993. The title of the article is The State of Our Real Estate Interest rates are low, prices are down -- so why aren't houses movi.

598. Evidentiary exhibit number 190 has an important bearing on the claimed subject matter. The article clearly states that, "The sellers hadn't had any acceptable offers and had gotten discouraged and taken the house off the market. A friend saw an ad for the house in an old newspaper and told Goldman, who swooped in with his bid and snapped up the house. "It was

the perfect homebuying experience," he says.." (HOME; Pg. 1/Z1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

599. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 191

600. Evidentiary exhibit number 191 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Daily Oklahoman (Oklahoma City, OK) and bears a publication date of 4/17/1993. The title of the article is Interest Sparked in Resale Home Market.

601. Evidentiary exhibit number 191 has an important bearing on the claimed subject matter. The article clearly states that, "Record low mortgage interest rates, soaring rent prices and relatively reasonable home prices have sparked buyer interest in the resale home market,

especially among first-timers, according to the Residential Sales Council of the Realtor's National Marketing Institute..” (REAL ESTATE; Pg. 4) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

602. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 192

603. Evidentiary exhibit number 192 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Real Estate Weekly and bears a publication date of 3/31/1993. The title of the article is Bertelsmann deal 'Most Ingenious.' Peter R. Friedman Ltd. wins Henry Hart Rice Most Ingenious Deal of the Year Award from Real Estate Board of New York for 1540 Broadway Street sale to German conglomerate.

604. Evidentiary exhibit number 192 has an important bearing on the claimed subject matter. The article clearly states that, “The deal, according to Nelson, took two years of work and 3000 pages of documentation. Dealing with a government agency brought a number of challenges including: Not knowing who your competition was because the GSA would not divulge such information; the discrepancy between the GSA’s definition of net usable space and the industry standard for gross rentable space; getting only one chance to submit a rent offer; and being able to guarantee the delivery of the space so the owner could avoid penalties of \$ 13,000 per day..” (Vol. 39 ; No. 33 ; Pg. 1A) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

605. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 193

606. Evidentiary exhibit number 193 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Buffalo News (New York) and bears a publication date of 3/29/1993. The title of the article is WHAT HOME BUYERS AND SELLERS SHOULD DO NOW THAT HOUSING MARKET IS IMPROVING.

607. Evidentiary exhibit number 193 has an important bearing on the claimed subject matter. The article clearly states that, "Century 21 South Central States' general manager Dave Jenks is already seeing a 15 percent to 25 percent sales spurt in areas such as the Texas hill country west of Austin, the Ozarks and northeastern Oklahoma as buyers snap up \$ 40,000 to \$ 120,000 vacation retreats or future retirement homes.." (BUSINESS; Pg. 14) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

608. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 194

609. Evidentiary exhibit number 194 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 2/6/1993. The title of the article is REAL ESTATE MAILBAG.

610. Evidentiary exhibit number 194 has an important bearing on the claimed subject matter. The article clearly states that, "The big risks of renting an apartment or a house are rising rents and having to move if you can't afford the increased rent or if the landlord wants the property for personal use or perhaps to sell. Many retirees don't like these uncertainties, so they elect to buy a house or condominium.." (REAL ESTATE; PAGE F6) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

611. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 195

612. Evidentiary exhibit number 195 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 11/29/1992. The title of the article is How Brokers Make Do In the Sluggish Market.

613. Evidentiary exhibit number 195 has an important bearing on the claimed subject matter. The article clearly states that, "Another area of specialization, especially in difficult times, is rentals. "We increased the number of rentals," said Mr. Willkie of Brown, Harris, Stevens. "We set up a rental department and concentrated on it. In the past, we had so many sales we didn't bother with rentals. But these days, some people who are hesitant to buy in this market decide to rent.".' (Section 10; Page 1; Column 2; Real Estate Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 196

615. Evidentiary exhibit number 196 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 11/28/1992. The title of the article is When would-be seller should rent out house.

616. Evidentiary exhibit number 196 has an important bearing on the claimed subject matter. The article clearly states that, "A - The answer depends on many variables, including the distance between your old home and your new one, and the type of tenant you could find if you decide to rent your place out. If the new home that you're buying is far away from the one you want to sell, I'd lean toward selling the old house at a deep discount instead of finding a renter. Most small-time landlords have to make repairs and manage their property by themselves, because they'll lose money if they have to hire professionals or a management firm to do the work for them.." (HOME GUIDE; Pg. 6; ZONE: N) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies

that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

617. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 197

618. Evidentiary exhibit number 197 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 9/25/1992. The title of the article is Renter's choice Turning a condo conversion to your advantage.

619. Evidentiary exhibit number 197 has an important bearing on the claimed subject matter. The article clearly states that, "So, if you receive a conversion notice and your lease doesn't expire for another year, your lease is still valid and it also may be a valuable bargaining chip. If the building's owner believes he can sell the unit, he may be willing to pay you a sum of money to terminate your lease or may provide financial incentives to move early if the unit is sold. For example, he may be willing to rebate one or two months' rent to you when the unit is sold if you are willing to vacate in a very short period.." (YOUR PLACE; Pg. 21; ZONE: C) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use

promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

620. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 198

621. Evidentiary exhibit number 198 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Orlando Sentinel (Florida) and bears a publication date of 6/7/1992. The title of the article is 'FOR SALE' BECOMES 'FOR RENT'.

622. Evidentiary exhibit number 198 has an important bearing on the claimed subject matter. The article clearly states that, "If you choose to hire a property manager, you will be charged a leasing fee for the effort to find a tenant. The fee is usually a percentage - 10 percent to 15 percent - of the first month's rent. Once your house is leased, it is still possible to keep it on the market for sale, Wade said. All that is required is that you be honest with the prospective tenant.." (HOMES; Pg. J1) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and

storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

623. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 199

624. Evidentiary exhibit number 199 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 5/31/1992. The title of the article is For the 90's, a New Breed of Housesitter.

625. Evidentiary exhibit number 199 has an important bearing on the claimed subject matter. The article clearly states that, "'We are much better off trying to sell a property than renting it," said Dortha E. Brennan, a first vice president at People's Bank in Bridgeport, which in the last year has used Home Marketing to help sell six homes that have been foreclosed on. "And using Home Marketing accelerates the sales process.'" (Section 10; Page 1; Column 2; Real Estate Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore

both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

626. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 200

627. Evidentiary exhibit number 200 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 1/3/1992. The title of the article is Cheaper by the dozen 12 strategies to make your housing dollar go farther.

628. Evidentiary exhibit number 200 has an important bearing on the claimed subject matter. The article clearly states that, "One Lake Forest couple has found renting a good choice for several reasons. The maintenance on their 6,000-square-foot-plus home with greenhouse and potting shed was costly and time-consuming. They also didn't want to worry about selling if the husband, who recently lost his job, found a new position out of town. So they rented a smaller house nearby that was in good condition and, in the process, have found they like the freedom of renting, which they say is akin to being on a prolonged vacation. They also like living in smaller quarters. Paying a whopping capital gains tax on the house they sold is not a concern because they believe they'll buy within the two-year period the Internal Revenue Service gives them to roll their profit into another home.." (YOUR PLACE; Pg. 3; ZONE: C) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers.

While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

629. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 201

630. Evidentiary exhibit number 201 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Newsday (New York) and bears a publication date of 7/6/1991. The title of the article is Road To Recovery;Lenders involved in turnarounds hope stronger finances will boost co-op sales.

631. Evidentiary exhibit number 201 has an important bearing on the claimed subject matter. The article clearly states that, “Lenders and others involved in these turnarounds hope that strengthened finances, combined with other incentives such as reduced operating costs, will boost sales of unsold units - particularly to existing tenants who, under conversion laws, can continue to rent their units as long as they want.” (REAL ESTATE; Pg. 30) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus

cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 202

633. Evidentiary exhibit number 202 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 6/22/1991. The title of the article is Mortgage brokers come through, but beware of empty promises.

634. Evidentiary exhibit number 202 has an important bearing on the claimed subject matter. The article clearly states that, "As I suggest in my special report, I find the best lease-option source is the "houses for rent" classified newspaper want ads. When you inspect a house you like, ask the owner if you can lease the home with an option to buy. Tempt the owner with a year's rent in advance in return for a lease- option. Negotiate the highest rent credit you can get, but never less than 33 percent, and the longest possible term, such as two to five years. The best

lease-option I ever negotiated is for 15 years, but you can probably do better. Readers desiring my special report "How Home Sellers, Buyers, Realty Agents, and Investors Can Profit from Lease-Options" is available for \$4 from NewspaperBooks, 64 E. Concord St., Orlando, Fla. 32801.." (HOME GUIDE; Pg. 16; ZONE: CN; Realty Q&A) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 203

636. Evidentiary exhibit number 203 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 4/20/1991. The title of the article is Preserving the Capital Gains Tax Rollover in a Slow Sales Market.

637. Evidentiary exhibit number 203 has an important bearing on the claimed subject matter. The article clearly states that, "First, you can let the property become a rental investment. If you believe the property has significant appreciation potential and is in a good location where you can command a decent rental income, you may want to rent the property and keep it for a longer period of time. If you decide to later sell the rental property, you could take advantage of another provision of the Internal Revenue Code, namely the "like-kind" exchange. This approach has similar qualities to the rollover, in that you can defer the profit if you obtain other investment property.." (REAL ESTATE; PAGE E21; HOUSING COUNSEL) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

638. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 204

639. Evidentiary exhibit number 204 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Changing Times and bears a publication date of 4/1/1991. The title of the article is Faster ways to sell your house..

640. Evidentiary exhibit number 204 has an important bearing on the claimed subject matter. The article clearly states that, "A bigger criticism is that if home values drop, your renters may not exercise the option. You can always renegotiate at the end of the option period. But even if prices go up, you can't be sure they'll buy-which can cause real problems if you've already bought a new home: You must sell your old home within two years of the time you buy the new one or you'll owe tax on the profit when you finally sell the old home. CHECKING OUT THE BUYER. You want to be very certain about how your buyer will qualify for a mortgage when the option term is up. Lenders will generally require that your buyer come up with a 5% down payment in addition to any part of the option consideration credited to the down payment. Your buyer must also have the income to qualify for a mortgage. TAXES ON A LEASE-OPTION. The money you receive as option consideration is not taxable, at least not right away. If the option is exercised, that money is considered part of the purchase price, which means it affects your gain or loss on the sale. If the option expires, however, you must report that amount as taxable income in the year the option expires.." (Vol. 45 ; No. 4 ; Pg. 28; ISSN: 0009-143X) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of

coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 205

642. Evidentiary exhibit number 205 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Los Angeles Times and bears a publication date of 2/21/1991. The title of the article is HOME SWEET MOBILE HOME;A HUMBLE ABODE? NOT TO THOSE WHO BUY THEM.

643. Evidentiary exhibit number 205 has an important bearing on the claimed subject matter. The article clearly states that, "Renters in the two Poinsettia parks pay approximately \$329 for their spaces, while those in Poway Royal are on four different rent scales with the average being \$416, including sewer charges. The planning services director admits that if the city keeps the park rents artificially low it may ultimately increase the value of the mobile homes in those parks. However, a long term plan is being studied with one option to sell the sites to the residents.." (North County Focus; Page 3; Metro Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or

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Evidentiary exhibit number 206

645. Evidentiary exhibit number 206 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The New York Times and bears a publication date of 2/9/1991. The title of the article is Your Money; Taxes on Homes Rented Out Briefly.

646. Evidentiary exhibit number 206 has an important bearing on the claimed subject matter. The article clearly states that, "Ms. Packard noted that two key elements in the favorable court decisions were that the rental was temporary and that it was ancillary to an effort to sell the home. That means homeowners must make an honest sales effort. Renting the home now with the plan of listing it for sale later when the market improves will not pass muster.." (Section 1; Page 30; Column 1; Financial Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this

article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 207

648. Evidentiary exhibit number 207 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the U.S. News & World Report and bears a publication date of 11/12/1990. The title of the article is How to think about your home.

649. Evidentiary exhibit number 207 has an important bearing on the claimed subject matter. The article clearly states that, "It may be worth hiring an appraiser, who can look at land values, building costs and rents in your area as well as comparable sales. An appraisal runs about \$ 200- \$ 250 for a written report. You might be able to get an appraisal minus the details of a written report for 50 percent less. The abbreviated version might omit some of the measurements, diagrams and detailed descriptions of the house and the neighborhood that you really won't need.." (BUSINESS; COVER STORY; Vol. 109, No. 19; Pg. 70) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those

who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

650. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 208

651. Evidentiary exhibit number 208 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Tulsa Business Chronicle and bears a publication date of 8/13/1990. The title of the article is Housing Rental Market Picking Up, Realtors Say.

652. Evidentiary exhibit number 208 has an important bearing on the claimed subject matter. The article clearly states that, "'Hardly a day goes by that somebody doesn't ask if we've got something to rent, or ask about one of the houses that we have for sale, just to inquire about whether the owners would consider renting it," he says. This local increase in rental demand should bode well for the residential sales market, Menger says.'" (Vol 9; No 33; Sec 1; pg 9) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales

routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different.

Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 209

654. Evidentiary exhibit number 209 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the The Washington Post and bears a publication date of 8/4/1990. The title of the article is Tax Benefits of Rollover Hinge on Timing of Sale.

655. Evidentiary exhibit number 209 has an important bearing on the claimed subject matter. The article clearly states that, "A. The rollover benefits under the tax laws are mandatory. No more than two years can elapse between the time you buy your new property and sell your old one. It is possible to take advantage of the rollover if, for example, you buy your new house this month, rent out your old one for a period of time, but sell it no later than August 1992. Conversely, you can sell your condominium in August 1992, and you have two years in which to buy another property. If you put your current house on the rental market, the tax laws will

continue to protect you only if you have made a good-faith effort to sell your house first, but without success. Obviously, you meet that test. But the mandatory two-year requirement cannot be waived. Keep in mind that when you rent out your house, you no doubt will take a tenant for at least a year. That will give you only one additional year in which to sell your house. Most people do not want to buy a house that is tenant-occupied, so if you extend a one-year lease for another year, you might have problems marketing the condominium..” (REAL ESTATE; PAGE F2; HOUSING COUNSEL) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 210

657. Evidentiary exhibit number 210 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Real Estate Today and bears a publication

date of 8/1/1990. The title of the article is Help plan a marriage of convenience; unite buyers and investors through equity sharing; includes equity-sharing transaction negotiation points.

658. Evidentiary exhibit number 210 has an important bearing on the claimed subject matter. The article clearly states that, "That doesn't mean the ownership split should automatically be 75/25 to coincide with the down payment. Say you're selling a \$ 100,000 house. A 20 percent down payment would require \$ 5,000 from the buyers and \$ 15,000 from the investors.

Assuming that the buyers make all the mortgage payments over a three-year contract, the value to the buyers could be an additional \$ 5,000 because, with a 15 percent down payment, the investors generally wouldn't get the amount of their mortgage, insurance, and tax payments back in rent. So in figuring the buyers' share of ownership, you should take into account the potential negative cash flow the investors would incur over the life of the contract if they rented out the property.." (Vol. 23 ; No. 7 ; Pg. 38; ISSN: 0034-0804) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

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Evidentiary exhibit number 211

660. Evidentiary exhibit number 211 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Los Angeles Times and bears a publication date of 7/29/1990. The title of the article is THE SMALL INVESTOR: DON'T CARRY NON-PAYING TENANTS.

661. Evidentiary exhibit number 211 has an important bearing on the claimed subject matter. The article clearly states that, "A: I don't know. Forget you ever heard those dirty words gross multiplier. The building is priced at 8.5 times its gross rental income. But the flaw is the gross multiplier doesn't consider the property expenses. To illustrate, two identical buildings with identical rental income could be priced at 8.5 times the gross rent. However, if one has individual utility meters, but the landlord pays the utilities at the other building, the one where the tenants pay the utilities is obviously the better buy. Never use the gross multiplier. Instead, buy income property based on its net income. Use the "cap rate" method which capitalizes a building's net income. The local cap rate is determined by recent sales prices of similar nearby buildings. Free Management Not Worth Eventual Cost." (Real Estate; Part K; Page 15; Column 1; Real Estate Desk) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore

both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

662. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Evidentiary exhibit number 212

663. Evidentiary exhibit number 212 is an article retrieved from the Lexis/Nexis research service. The exhibit is an article that appeared in the Chicago Tribune and bears a publication date of 6/10/1990. The title of the article is Mastering five basics in financing real estate.

664. Evidentiary exhibit number 212 has an important bearing on the claimed subject matter. The article clearly states that, "A - The five basic ways to finance property sales are (1) all cash (very undesirable because of the tax laws, leverage disadvantages and inflation), (2) a seller who finances the sale, such as by carrying back a first or second mortgage or trust deed, or sells on a land contract, (3) a buyer's assuming an existing mortgage already on the property or purchasing "subject to" the existing mortgage, (4) the buyer's obtaining a new conventional, FHA or VA mortgage from a lender and (5) any combination of these methods. You never can learn too much about real estate financing. Although seller financing is the easiest and best money source, you need to know about the other alternatives because not every seller will help finance his or her sale. I strongly recommend your taking a real estate finance course at your local community college and reading good books on realty finance, such as Peter G. Miller's "The Common-Sense Mortgage" (Harper and Row, 1990), available in stock or by special order at local bookstores.." (REAL ESTATE; Pg. 2J; ZONE: C; Realty Q&A) This quote clearly shows that products in the real estate sales market are a distinct product from those in the rental market. Though both are

real estate, they are as different as cars rented by Avis or Hertz, versus cars sold through dealers by Ford or Toyota-- both use different sales routes to target different customers. While those who rent and buy cars are both human beings, and for the right price many of those who rent would buy the car they are renting, so in a general sense the customer base and products are the same (humans, cars), this article makes the point that the manner in which these customers and products are targeted and sold are different. Specifically, landlords create methods to sell or rent real estate based on the financial (tax and interest rate) implications of such decision, just as an online bookstores and storefront bookstore both use promotions that appeal to financial incentives (window space versus internet ads, free cup of coffee versus free shipping) even though customers are in different markets (storefront versus actual) pursuing different customers (retail shoppers versus people surfing the internet). This article also explains that that companies that do business in the real estate market generally either focus on sales or rentals, but not both, and depending on what customer base they are targeting use different methods to sell or rent their real estate products.

665. This article establishes that the persons of ordinary skill in the relevant field considered there to be substantially no overlap in the two strongly divided sectors of real estate transactions, namely rentals and sales.

Conclusion

I declare further that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

Date: ____/9-19-2007/ ____

____/Jeff Jacob Brauer/
Jeff Jacob Brauer